

CONGRESSIONAL QUARTERLY
Weekly Report

REPRODUCTION PROHIBITED IN WHOLE OR IN PART

VOL. XVI
PAGES 1-28

WEEK ENDING JAN. 3, 1958

No. 1

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BY CONGRESSIONAL QUARTERLY INCORPORATED

The Authoritative Reference on Congress

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Congressional Boxscore

MAJOR LEGISLATION IN 85th CONGRESS

As of Jan. 3, 1958

BILL	HOUSE	SENATE	SIGNED
Reciprocal Trade			
OTC Membership (HR 6630)			
Foreign Aid			
Immigration Law Revision			
Military Pay Raises			
Postal Pay Raise			
Classified Pay Raise			
Atomic Secrets Sharing			
Surplus Disposal			
Excise, Corporation Taxes			
Debt Ceiling Raise			
Postal Rate Increase (HR 5836)	Reported 6/3/57	Passed 8/13/57	Hearings Underway
Education Aid			
Atomic Power Program			
Labor Regulation			
Small Business Administration (HR 7963)	Reported 6/13/57	Passed 6/25/57	
Health Insurance			
Natural Gas Regulation (HR 8525)	Reported 7/19/57		
Rivers, Harbors (S 497)		Reported 3/25/57	Passed 3/28/57
Presidential Disability			
Alaska Statehood (S 49) (HR 7999)	Reported 6/25/57	Reported 8/30/57	
Hawaii Statehood (S 50) (HR 49)	Hearings Completed	Reported 8/30/57	
TVA Financing (S 1869) (HR 4266)	Reported 8/13/57	Reported 7/2/57	Passed 8/9/57

LONG AND ARDUOUS SESSION FACING CONGRESS

The 85th Congress, which reconvenes Jan. 7, faces a long and arduous session before adjournment, probably not before Labor Day. Beginning with his State of the Union message Jan. 9, followed by his Budget and Economic messages, the President will spell out his legislative requests. Already, however, it is evident that the shape of his program -- and of the fate it receives on Capitol Hill -- will be strongly influenced by the interactions of these factors:

Sputnik -- On Oct. 1 Budget Director Percival F. Brundage voiced the Administration's hope that the fiscal 1959 budget, beginning July 1, could be held "at \$70 billion or as close to that as we can get it." On Oct. 4 the Soviets successfully launched the first earth satellite, demonstrating in the process a measure of scientific and technological capability unsuspected by the general public. Advance reports place the 1959 budget at \$74 billion or more, as plans take shape for a stepped-up missile program. All talk of tax cuts has subsided.

Recession -- The battle against inflation, which continued to dominate economic thinking throughout the 1957 session, has turned into a battle against recession. Unemployment reached 3.2 million in mid-November as the Federal Reserve index of production continued to decline from its December, 1956, peak. A further rise in the jobless total is expected through February, although beyond that point opinions differ.

Secretary of Labor James P. Mitchell Dec. 19 said he expected an upturn in the economy "in the middle of 1958," partly as the result of increased Federal spending. Others are more pessimistic and will push for lower interest rates, more public works and other pump-priming measures.

Election -- All 435 seats in the House and 32 of the 96 in the Senate must be filled at the election on Nov. 4. Democrats control both chambers, having 50 seats in the Senate to 46 for the Republicans, and 231 seats to 199 in the House (five seats were vacant as of Dec. 30). Most estimates conclude that the Democrats will retain control of the 86th Congress, possibly with substantially larger margins.

For individual Members seeking reelection, however, their stands in 1958 on such explosive issues as reciprocal trade, deficit financing and welfare programs will be influenced strongly by the political outlook in their own districts and states.

Following is a checklist of the major issues and programs slated for Congressional consideration. They are grouped under two broad headings -- National Security Programs and Domestic Affairs -- but are not necessarily listed in any order of prominence. Page references are to Fact Sheets on individual topics published in the 1957 Weekly Reports.

National Security Programs

- **DEFENSE SPENDING:** The Administration, which had established a pre-Sputnik ceiling of \$38 billion for the Defense Department, is expected to propose spending more than \$40 billion in fiscal 1959. Congress will be asked to appropriate, in the form of new obligational authority, about \$40 billion or \$4 billion more than was voted in 1957. Most of the increase in funds is earmarked for missile development and production. Some Democrats have called for even higher outlays, but Congress is unlikely to make any substantial changes in Administration estimates.

- **MILITARY PAY:** Improved pay for military personnel, costing about \$500 million, will be among Administration proposals. These will reflect the recommendations of the Cordiner Committee for increased incentives to retain skilled officers and technicians in the services.

- **PENTAGON REORGANIZATION:** Concern over the U.S. lag in missile development -- subject of a continuing inquiry by the Senate Preparedness Subcommittee -- has brought renewed criticism of rivalry among the armed services and calls for greater unification. There is strong backing in Congress for proposals to consolidate missile development to eliminate duplication of effort. (p. 1315)

- **ATOMIC SECRETS:** Congress is expected to grant the Administration's request for modification of the Atomic Energy Act of 1954 to permit freer exchange of military secrets with NATO allies, but only with careful provisions regarding security safeguards. No authority will be sought or given to transfer atomic weapons to non-American control. (p. 1207)

- **FOREIGN AID:** In addition to seeking \$4 billion in military and economic aid (including \$625 million for the Development Loan Fund, p. 1277), the Administration will ask Congress to add \$2 billion to the \$5 billion capitalization of the Export-Import Bank. Congress slashed \$600 million from the 1957 request, and evidence points to another effort to balance increased defense spending by cuts in foreign aid.

- **TRADE POLICY:** The Administration's request for a five-year extension of the Trade Agreements Act, with additional tariff-cutting authority for the President, faces strong and possibly overwhelming opposition in Congress, where many Members are under strong protectionist pressure from domestic producers claiming injury from rising foreign imports. A separate request for approval of U.S. participation in the Organization for Trade Cooperation has little hope of enactment. (See p. 4 of this Weekly Report)

- **INFORMATION PROGRAM:** After Congress cut \$45 million from the Administration's 1957 request of \$140 million for the U.S. Information Agency, Director Arthur Larson was replaced by George V. Allen, a career diplomat with good relations on Capitol Hill. USIA is now rated as having a better than even chance of getting most of the \$108 million it is expected to request in 1958. (p. 1269)

● **IMMIGRATION & REFUGEES:** Congress in 1957 enacted only five of 20 changes requested by the President in the McCarran-Walter Immigration and Nationality Act of 1952. Attorney General William P. Rogers Dec. 9 said the Administration again would ask for action on the remaining proposals, including those to liberalize the quota system and to give permanent status to about 30,000 Hungarian refugees admitted a year ago under special parole provisions.

● **CIVIL DEFENSE:** The Administration will seek Senate approval of a House-passed bill enlarging Federal responsibility in civil defense (p. 1291). But it is not expected to press for action on a multi-billion dollar shelter program recommended, along with other drastic mobilization measures, in the Gaither Report to the National Security Council (p. 1328). Without Administration backing, Congress is unlikely to approve much more than the token CD program in effect over the past few years.

Domestic Affairs

● **TAXES:** An election-year tax cut in 1958, hopefully predicted by Democrats and Republicans alike during the 1957 session, went aglimmering with sputnik. Congress is certain to meet the President's request for another year's extension of existing corporate income and excise tax rates, which are scheduled to expire on June 30. Congress also may agree to certain technical changes in the tax law to close loopholes and eliminate inequities, but these will be designed to avoid any net loss in revenue. At the same time, there is no indication that taxes will be increased, barring sudden deterioration of the international situation.

● **DEBT CEILING:** Under the impact of smaller revenues and larger expenditures than were anticipated, the Budget Bureau's Oct. 1 estimate of a \$1.5 billion surplus in fiscal 1958 is expected to be revised downward. For fiscal 1959, however, the Administration is counting on an economic upswing to provide sufficient revenues at current tax rates to cover the projected increase in spending. Nevertheless, the President is reported planning to ask Congress for an increase in the statutory debt limit of \$275 billion. There has been strong opposition to any increase in Congress, notably from Chairman Harry Flood Byrd (D Va.) of the Senate Finance Committee. But Congress will vote to raise the ceiling before reneging on Government commitments.

● **POSTAL RATES:** Prospects for a balanced budget in fiscal 1959 hinge to some extent on enactment of a measure increasing postal rates by more than \$500 million a year, requested by the President in 1956 and passed by the House in 1957. The outlook for Senate passage is now good.

● **PAY RAISES:** Congress in 1957 approved pay raises for 500,000 postal workers and one million Federal workers in the classified service, but President Eisenhower vetoed both measures Sept. 7 on grounds they were inequitable and would add to inflationary pressures. If Congress completes action on the postal rate increase, the Administration is expected to support a pay raise for both postal and classified employees in 1958.

● **EDUCATION:** The House July 25 voted, 208-203, to kill a compromise \$1.5 billion Federal school construction bill, and the Administration is not expected to revive the matter in 1958. Instead, it will propose a \$225 million

package designed primarily to buttress education in science and mathematics. Included in the program will be about \$100 million for grants to states to improve the teaching of science and mathematics in high schools, and more than \$50 million for the National Science Foundation. The Administration's thinking conflicts with that of Members of Congress who favor large-scale Federal scholarship aid or special tax treatment for educational expenses (p. 1081). In one form or another, however, Federal aid to education will be increased.

● **ATOMIC POWER:** Evidence that private industry is still reluctant to take the lead in financing a major atomic power program has increased the determination of Congressional Democrats to give the Atomic Energy Commission the order and the funds to do the job. Barring a compromise with AEC Chairman Lewis Strauss, who has led the opposition to a Government-financed power program, the issue promises to provoke another major struggle in Congress in 1958.

● **AGRICULTURE:** Secretary of Agriculture Ezra Taft Benson wants Congress to end "escalator clauses" that boost price supports as surpluses shrink, to give him a 60-to-90 percent of parity range within which to fix price supports on "basics" instead of the existing 75-to-90 percent range, and to provide increased freedom to plant for corn and cotton producers. But Chairman Harold D. Cooley (D N.C.) of the House Agriculture Committee has personally vetoed Benson's program. Farm organizations are split, with the American Farm Bureau Federation supporting Benson, the National Grange and the new National Conference of Commodity Organizations calling for specific programs for each crop including a dual-price plan for wheat, and the Farmers Union seeking strict production and marketing controls for all crops. The short-term acreage reserve program of the soil bank may be dropped by mutual consent, while Congress is expected to approve a request for \$1.5 billion to continue the foreign surplus disposal program for another year. Attempts will be made to rescind Benson's order lowering dairy price supports.

● **LABOR:** The Administration's proposals for labor legislation were set forth in a Dec. 5 speech by Secretary Mitchell to the AFL-CIO (p. 1304). The Administration, he said, will oppose enactment of a national right-to-work law and will not propose extension of the antitrust laws to unions (p. 1229). It will seek laws to require public reports by all private health, welfare and pension plans; to require annual financial reports and organization reports from all unions; to strengthen secondary boycott provisions of the Taft-Hartley Act; to restrict the power of unions to picket for organizational purposes (p. 1294); and to eliminate the requirement that union officers sign non-Communist affidavits. Congress is expected to approve the reporting requirements, in the light of revelations before the Senate Select Committee on Improper Activities in the Labor and Management Fields, headed by Sen. John L. McClellan (D Ark.). There will be strong pressure, in addition, for a right-to-work law and extension of antitrust penalties to unions.

● **SMALL BUSINESS:** Congress agreed in 1957 to extend the life of the Small Business Administration for one year and to increase its lending powers. In 1958 the Administration will request permanent status for SBA and more loan funds, but is not expected to favor tax concessions to smaller corporations. Congress is expected to extend the Small Business Act, but not to do much else for the small businessman. (p. 1324)

● **HOUSING:** Congress will be under strong pressure in 1958 to extend and liberalize Federal housing programs. The U.S. Conference of Mayors wants \$500 million a year for five years for slum clearance and urban renewal projects (p. 1138). Efforts will be made to extend the public housing program (Congress in 1956 authorized 35,000 units a year for two years). Federal Housing Administrator Albert M. Cole has proposed substantial changes in FHA mortgage insurance practices. The type and amount of Federal housing assistance that emerges from the session will be influenced strongly by the state of the economy.

● **DEPRESSED AREAS:** Apart from hearings, Congress took no action in 1957 on the President's request for a \$50 million revolving loan fund to assist communities suffering from chronic unemployment. Democrats are holding out for a more generous program of grants. Chances for such an aid program in 1958 have been improved by the rise of unemployment over the Nation. There also is some support for a proposal to funnel aid to industries injured by the competition from imports through a depressed areas program.

● **HEALTH INSURANCE:** The Administration is expected to repeat its request for legislation to permit health insurance companies to pool their resources. The AFL-CIO is backing a far more ambitious proposal to provide medical benefits for older persons out of social security funds, which would be augmented by increased taxes on employers and employees (p. 1193). The plan is opposed by the American Medical Association and business groups generally. There appears to be little prospect that Congress will do much about social security or health insurance in 1958.

● **VETERANS:** Administration proposals to trim veterans' benefits, particularly compensation for non-service connected disabilities, face almost certain defeat in

Congress. The American Legion and other veterans' groups want, on the contrary, additional benefits. With the budget strained to the limit, the prospect is for a standoff, with few if any changes in veterans' benefits.

● **CIVIL RIGHTS:** Attorney General William P. Rogers Dec. 9 said he was not recommending any additional civil rights legislation for 1958. He suggested letting "a little time elapse" to see how the voting rights bill enacted in 1957 is working out. Without Administration support, Northern Democrats have little chance of extending civil rights legislation in the face of Southern opposition, now hardened by the President's order sending Federal troops into Little Rock, Ark.

● **NATURAL GAS:** Supporters of legislation to free natural gas producers from rate regulation by the Federal Power Commission will make another effort to enact the bill which Congress passed in 1956, but which was vetoed by the President after Sen. Francis Case (R S.D.) revealed an attempt had been made to influence his vote with a \$2,500 campaign contribution. Proponents of the bill expect substantial support from the President and the two top leaders of Congress -- Senate Majority Leader Lyndon B. Johnson (D Texas) and Speaker Sam Rayburn (D Texas). Opponents of the legislation, who represent the consumers' point of view, are pessimistic over chances to defeat the measure.

● **PUBLIC WORKS:** A Senate-approved bill authorizing \$1.5 billion in rivers and harbors projects -- the so-called "pork barrel" bill -- awaits House action in 1958. President Eisenhower vetoed a similar measure in 1956 because it contained a number of projects disapproved by the Corps of Engineers. Passage of the new bill is certain, although the possibility remains of a veto on the same grounds as before. The impending election favors enactment.

● **FEDERAL-STATE RELATIONS:** Acting on recommendations of a joint committee of Governors and Federal officials, the Administration may propose an exchange of functions, involving transfer to the states of responsibility for several Federal grant programs along with revenues from the Federal tax on local telephone service. But there is strong opposition to the proposal in many quarters. The prospect for action is nil. (See p. 21 of this Weekly Report)

● **PRESIDENTIAL DISABILITY:** President Eisenhower's mild stroke on Nov. 25 -- his third illness in two years -- gave added impetus to the search for a method to overcome the Constitution's silence on the manner of determining when the President is no longer able to perform his duties. President Eisenhower supports a constitutional amendment giving the Cabinet the power to determine disability, while others prefer leaving the decision to a special commission. The House Judiciary Committee will hold hearings on several proposals, but odds are against further action in 1958.

● **POWER DEVELOPMENT:** A bill to permit TVA to issue its own bonds has passed the Senate and is before the House. It probably will be approved in some form. The chances for other development projects, such as Frypan-Arkansas or Hells Canyon, are virtually non-existent.

● **ALASKA-HAWAII STATEHOOD:** This perennial legislation could be approved in 1958, although the odds, based on past performance, are against it. Bills to provide statehood for both Alaska and Hawaii were reported to the Senate in 1957. The Hawaii bill was reported to the House in 1957, and hearings were finished on the Alaska statehood measure.

Expiring Legislation

Following are major laws or legislative provisions that expire in 1958 unless Congress extends them:

Defense Production Act of 1950, extended in 1956 by PL 632 for two years; expires June 30, 1958.

Export Control Act of 1949, extended in 1956 under PL 631 for two years; expires June 30.

Trade Agreements Extension Act of 1955 (PL 86), a three-year extension of program first authorized in 1934; expires June 30.

Mutual Security Act of 1957 (PL 141), amending Mutual Security Act of 1954; expires June 30.

Agricultural Trade Development and Assistance Act of 1954 (PL 480), extended in 1957 by PL 128 for one year; expires June 30.

PL 949 of 1956, extending for two years program first enacted in 1950 for aid to Federally impacted areas for school maintenance and operation; expires June 30.

Tax Rate Extension Act of 1957 (PL 12), extending for 15 months corporate income and certain excise tax rates; expires July 1.

Small Business Act of 1957 (PL 120), extending for one year the Small Business Act of 1953; expires July 31.

TRADE AGREEMENTS ACT FACING TOUGHEST FIGHT

The 24-year-old reciprocal trade agreements program faces the toughest fight of its career in 1958. The President's authority to lower U.S. tariffs through the medium of reciprocal agreements with other nations, first granted by Congress in 1934 and later extended 10 times, expires on June 30, 1958. The President wants a five-year extension. Domestic interests claiming injury from imports are strongly opposed. Their strength, which very nearly prevailed in Congress in 1955, appears to be growing with the rise in unemployment accompanying the current slowdown of the economy.

Administration Proposals

Details of the Administration's legislative request will be contained in a special message to Congress, expected in February. On Dec. 9, the Departments of State and Commerce jointly announced that Congress would be asked to:

- Extend the President's authority to negotiate trade agreements for five years, until June 30, 1963.
- Authorize him to reduce tariffs over the five-year period by 25 percent, either at the rate of 5 percent each year or of 25 percent over three years if no yearly reduction exceeded 10 percent.

- Authorize him, as an alternative in the case of items on which tariffs are already low, to cut duties by 3 percentage points ad valorem if no yearly reduction exceeds 1 percentage point.

- Authorize him to reduce to 50 percent of value the rate of tariff on any item exceeding 50 percent.

- Authorize him to raise tariffs, under "escape clause" procedures, to a maximum of 50 percent above the rates in effect on July 1, 1934.

- Retain unchanged provisions in the law regarding "peril points" and the "escape clause." (see box)

Two points distinguish the above program from the one now operating -- the time period and the base data for determining maximum allowable increases in duties. The Trade Agreements Act has never been extended for more than three years at a time. The Administration's request for a five-year extension is being justified on grounds that the six-nation European Common Market, which comes into being on Jan. 1, 1958, will be adopting a common tariff approximately four years hence, and that the President must have authority to bargain for favorable treatment for U.S. exports under that tariff.

Under existing law, the President may increase duties by up to 50 percent of the rates in effect in 1945, where imports are injuring domestic industries. Between 1934 and 1945, however, many tariff rates were

KEY PROVISIONS OF UNITED STATES TARIFF LAWS

TRADE AGREEMENTS AUTHORITY

● "Sec. 350 (a) (1) For the purpose of expanding foreign markets for the products of the United States...by regulating the admission of foreign goods into the United States...so that foreign markets will be made available to those branches of American production which require and are capable of developing such outlets by affording corresponding market opportunities for foreign products in the United States, the President, whenever he finds as a fact that any existing duties or other import restrictions of the United States or any foreign country are unduly burdening and restricting the foreign trade of the United States and that the purpose above declared will be promoted by the means hereinafter specified, is authorized from time to time--

"(A) To enter into foreign trade agreements with foreign governments or instrumentalities thereof: Provided, That the enactment of the Trade Agreements Extension Act of 1955 shall not be construed to determine or indicate the approval or disapproval by the Congress of the executive agreement known as the General Agreement on Tariffs and Trade.

"(B) To proclaim such modifications of existing duties and other import restrictions, or such additional import restrictions, or such continuance, and for such minimum periods, of existing customs or excise treatment of any article covered by foreign trade agreements, as are required or appropriate to carry out any foreign trade agreements that the President has entered into hereunder." (Tariff Act of 1930, as amended)

PERIL POINT

● "Sec. 3 (a) Before entering into negotiations...the President shall furnish the United States Tariff Commission...with a list of all articles imported into the United States to be considered for possible modification of duties and other import restrictions, imposition of additional import restrictions or continuance of existing customs and excise treatment. Upon receipt of such list the Commission shall make an investigation and report to the President...as to (1) the limit to which such modification, imposition, or continuance may be extended...without causing or threatening serious injury to the domestic industry producing like or directly competitive articles; and (2) if increases in duties or additional import restrictions are required to avoid serious injury to the domestic industry producing like or directly competitive articles the minimum increases in duties or additional import restrictions required." (Trade Agreements Extension Act of 1951, as amended)

ESCAPE CLAUSE

● "Sec. 6 (a) No reduction in any rate of duty, or binding of any existing customs or excise treatment, or other concession hereafter proclaimed under section 350 of the Tariff Act of 1930, as amended, shall be permitted to continue in effect when the product on which the concession has been granted is, as a result, in whole or in part, of the duty or other customs treatment reflecting such concession, being imported into the United States in such increased quantities, either actual or relative, as to cause or threaten serious injury to the domestic industry producing like or directly competitive products." (Trade Agreements Extension Act of 1951, as amended)

substantially reduced. If, for example, the tariff on a given article had been reduced, through reciprocal trade agreements, from 20 percent of its value in 1934 to 10 percent in 1945, the maximum permissible increase of 50 percent of the 1945 rate would boost the tariff to 15 percent ad valorem, or 75 percent of the 1934 rate. The proposal to shift the base date back to 1934 would allow the President to increase the rate, in the instance cited, from 20 percent to 30 percent ad valorem, or 150 percent of the rate in effect in 1934. The shift is reported to be a concession to protectionist forces.

Congressional Reaction

The Administration's trade proposals were presented to Congressional leaders at a White House meeting on Dec. 3. Speaker of the House Sam Rayburn (D Texas), who had said earlier that "we're going to have a terrific fight to extend it at all," announced after the meeting that "blood, sweat and tears" would be required to get the Administration's bill through Congress. House Minority Leader Joseph W. Martin Jr. (R Mass.) said the program "will have the roughest going in the next Congress."

Rep. Daniel Reed (R N.Y.), ranking minority member on the House Ways and Means Committee which will handle the legislation and a long-time foe of the trade agreements program, said: "I think they've got a hard fight on their hands to extend it at all." Rep. Richard M. Simpson (R Pa.), third ranking minority member of the Committee, said "it would be well to drop the entire subject for the immediate future and not undertake an extension."

Among supporters of the program there was concern over the proposal regarding the 1934 base date. Sen. Estes Kefauver (D Tenn.) Dec. 10 said he never had been able to reconcile the Administration's "tariff actions with its tariff words, and, therefore, I am wary of this provision." Sen. Paul Douglas (D Ill.) said Dec. 20: "We liberal Democrats in Congress do not have enough strength to put the extension through alone. The Administration will have to take a very strong stand. At present, they just mean well feebly."

Legislative Background

Congress, empowered by the Constitution (Article I, Section 8) to "lay and collect taxes, duties, imposts and excises," and to "regulate commerce with foreign nations," last revised tariff rates and classifications in the Tariff Act of 1930, the so-called Smoot-Hawley tariff law which raised duties to an all-time high. The protectionist character of the Act reflected the then-prevailing view that high tariffs would assure domestic prosperity in the face of the world-wide depression then underway.

By 1933, U.S. imports had dropped from an average of \$4 billion per year under the Tariff Act of 1922 to \$1.4 billion, while exports had slipped from \$4.6 billion to \$1.6 billion. Expansion of exports, a major goal of the New Deal's recovery program, was the explicit objective of the Trade Agreements Act of 1934 (see box on preceding page). The law gave the President authority to lower tariffs by up to 50 percent of the rates established in 1930. This basic authority was extended without change in 1937, 1940, and 1943.

Further Reductions

By 1945, bilateral trade agreements had been made with 27 countries, and much of the 50 percent tariff-cutting authority provided in 1934 had been exhausted. The President asked, and Congress granted, authority to make further reductions up to 50 percent of the rates in effect in 1945. This authority, extended in 1948, 1949, 1951, 1953, and 1954, permitted a maximum possible reduction of 75 percent in the rates in effect in 1934.

The first successful effort to restrict the President's powers under the Trade Agreements Act came in 1948, when the Republican-controlled 80th Congress inserted the "peril point" provision (see box on preceding page). This provision was removed by Congress in 1949 but reinserted in 1951, along with the "escape clause" provision. Both provisions were designed to provide some recourse for domestic industries claiming injury from the competition of imports. However, the Tariff Commission's recommendations to the President were made advisory only, and he retained the right to accept or reject a proposed increase in duty.

1955 Extension

After two one-year extensions of the Act in 1953 and 1954, the Eisenhower Administration in 1955 asked for a three-year extension, with authority to cut rates in effect in 1955 by a total of 15 percent or 5 percent a year. Strong opposition developed from Congressmen representing districts and states where textile, coal and other interests were claiming injury from imports. The Administration bill was reported by the House Ways and Means Committee without substantial change, after the 25-member Committee, acting in the absence of Rep. Herman P. Eberharter (D Pa.), had divided 12-12 on the question of including a series of restrictive amendments proposed by Rep. Cleveland M. Bailey (D W.Va.).

On the House floor, the opening fight revolved around the question of a rule governing debate. Supporters of the bill as reported argued for a closed rule, under which only the committee reporting the bill may offer amendments while opponents are confined to a single motion to recommit the measure to committee. Opponents, hoping to amend the bill, wanted an open rule. The battle was waged in see-saw fashion over three roll-call votes, on the last of which the House voted 193-192 for a closed rule. The next day, Feb. 18, Rep. Reed moved to recommit the bill with instructions to amend it, making the President's compliance with Tariff Commission recommendations in "escape clause" proceedings mandatory except when national security is involved. The motion was defeated, 199-206, with 80 Democrats, mostly Southerners, joining 119 Republicans in voting "yea," for recommitment. Three GOP Representatives -- Joe Holt (Calif.), Katherine St. George (N.Y.) and Harold H. Velde (Ill.) -- were recorded as having changed their votes from "yea" to "nay."

The fight then passed to the Senate Finance Committee, where two restrictive amendments were added. One, designed to meet opposition to heavy imports of residual oil, authorized the President to limit imports entering in such volume as to "threaten to impair the national security." The other strengthened the escape clause. Both restrictions were approved by the Senate and House. (1955 Almanac, p. 289)

Trade Policy Report

In anticipation of the Administration's request to renew the Trade Agreements Act in 1958, the House Ways and Means Committee in 1956 established a nine-member Subcommittee on Foreign Trade Policy, headed by Rep. Hale Boggs (D La.). In a report filed March 8, 1957, the Subcommittee made the following points:

- From 1931 to 1955, the value of U.S. merchandise exports increased from \$2.4 billion to \$15.4 billion, while the value of imports for consumption rose from \$2.1 billion to \$11.3 billion. Over the same period, the proportion of duty-free imports (chiefly raw materials) declined from 66.6 percent to 53.2 percent of total import value, while the proportion of dutiable imports rose correspondingly. Although duties collected increased from \$371 million to \$670 million, the ratio of duties collected to the value of all imports dropped from 17.8 percent to 5.9 percent, and the ratio to the value of dutiable imports alone declined from 53.2 percent to 12.6 percent.

- "Approximately one-half of the decline in the ratio of duties collected from 1934 until 1952 is accounted for by increases in the prices of imports subject to specific or compound rates and approximately one-half to actual reductions in the rates of duty.... (But) the concept of changes in the average level of tariff protection is one of limited significance, since the rates of duty on particular classifications of imports afford protection to particular sections of domestic enterprise and not to industry in general."

- The escape clause is the focus of the trade agreements dispute "because, on the one hand, it is the major avenue prescribed by Congress for obtaining increased protection from imports and because, on the other hand, it is the major reservation to the principle of tariff reduction embodied in the trade agreements program. In particular, because of the latitude provided both with respect to the determination of injury by the Tariff Commission and with respect to the exercise of Presidential discretion in accepting, rejecting or modifying recommendations on the part of the Commission, the debate over the escape clause has centered on the considerations, criteria and standards that should govern Tariff Commission determinations and the exercise of Presidential discretion."

- U.S. merchandise exports to Western Europe totaled \$5 billion in 1956 and imports from Western Europe equaled \$3 billion. Europeans say that "although the escape clause has not been invoked on many occasions the fact of its existence has a very bad psychological effect in discouraging the expansion of exports to the United States. If European businessmen undertake the effort and expense that is necessary in order to expand sales in the United States market, they fear that the penalty of success may be the imposition of higher tariffs under the escape clause and that losses to them will result."

- U.S. imports of cotton textiles from Japan represent only about 2 percent of U.S. production of cotton cloth, which was 11 billion square yards in 1956. The value of cotton textile imports from Japan was \$63 million in 1955, or about one-half the \$125 million worth of raw cotton bought by Japan in the U.S. Although the Japanese agreed in 1955 to a self-imposed quota on cotton textile exports to the U.S., they are still "very much concerned that the Congress might enact restrictive import quotas" on textiles and other Japanese products as well.

Pros and Cons

On Oct. 7, the Boggs Subcommittee released a 1,157-page compendium of papers on U.S. foreign trade policy, which was the subject of two weeks of hearings before the Subcommittee beginning Dec. 3. Highlights of some of the papers follow:

According to Howard S. Piquet of the Legislative Reference Service, Library of Congress --

- If all duties were suspended U.S. imports would increase by no more than \$2 billion. They might increase by \$4 billion if tariffs were permanently abolished.

- "Producers of probably not more than 30 or 40 products would be in a position to be injured by competition from increased imports, if tariffs were abolished."

- "In the event of complete, but temporary, tariff suspension it is probable that not more than the equivalent of 200,000 workers would be forced to adjust to new lines of production because of increased imports. If tariffs were merely to be reduced, particularly on a selective basis, the number of workers who would be forced to adjust would be even smaller."

According to O. R. Strackbein, chairman of the Nation-Wide Committee of Industry, Agriculture and Labor on Import-Export Policy --

- "The overriding issue is the shift from Congress to the executive branch of the authority to regulate the foreign commerce of the United States and to modify the tariff."

- "The repeated experience of the domestic industries and producing groups in failing to obtain relief from injury under the administrative remedies provided by law has led to the conclusion that the State Department dominance has stood in the way and still stands in the way."

- "One of the fields in which our information falls short is that of employment in the production of products for export, on one hand, and the displacement of workers caused by imports on the other. Worse yet, we have no sure way of determining the indirect effects of exports and imports, either as reinforcing or canceling each other in their helpful or injurious effect upon our economy."

According to Richard N. Gardner, Columbia University Law School --

- "By raising tariffs or imposing quotas without limit of time we now encourage the indefinite maintenance of protected business activities -- no matter how inefficient or uneconomic these may be.... We ought to consider a new system of escape clause relief under which a finding of 'injury' to an 'industry'... would be the occasion for a temporary tariff increase coupled with a temporary program of Government aid."

- "If we wish to assist certain producing organizations considered important to our military strength, trade restriction is a poor device for doing so. It removes the spur to efficiency and technological advance.... Moreover, a single dose of trade restriction seldom proves to be sufficient.... Like a drug addict, the protected industry seems driven to return for more."

- "Let us face up to the fact in trade policy as in other fields that we cannot have our cake and eat it too -- that we cannot enjoy significant advantages from trade without displacing some domestic American producers. If the gains from freer trade greatly exceed the cost -- and every serious study of the problem suggests that they do -- we have no rational alternative but to accept the consequences."

Recent Developments

In 1957 President Eisenhower rejected Tariff Commission recommendations for higher duties on velvetene fabrics, straight pins and violins and violas. On Nov. 9, he concurred in the Commission's view that the spring clothespin industry was entitled to relief and proclaimed an increase of 10 cents a gross in the import duty. But he declined to go along with a recommendation for a quota limiting imports to 650,000 gross annually. On Nov. 29, the President accepted the Commission's proposal that he raise the tariff on safety pins from 22.5 percent of value to 35 percent. Other developments include:

- **OIL IMPORTS** -- Following Congress' action in 1955 authorizing the President to restrict imports of items entering in such quantity as to "threaten to impair the national security," the Government sought to hold down imports of residual oil by securing industry cooperation in a voluntary quota system. This program is still in effect, but on Dec. 3 the administrator, Capt. M. V. Carson Jr., warned that mandatory import controls still might be imposed if industry fails to support the voluntary plan. In that event, he said, "there would be no assurance that they would not eventually blanket the entire industry."

- **WOOL TEXTILES** -- In 1956 the U.S. imposed a 45 percent ad valorem duty on woollens imported in excess of 5 percent of domestic production, almost double the duty on imports within the 5 percent range. On Dec. 12, the Committee for Reciprocity Information concluded hearings at which domestic producers urged that the 1956 quota tariff be continued and strengthened while importers and foreign producers argued that it be dropped.

- **LEAD AND ZINC** -- The Tariff Commission Nov. 26 completed hearings on a proposal by domestic lead and zinc producers that imports of these metals be restricted by higher duties and by import quotas. Mining interests in Mexico and Canada protested that such moves would have serious economic repercussions for them. On Dec. 16, the Economic and Social Council of the Organization of American States sharply criticized the proposed lead-zinc restrictions. The Commission has yet to make its recommendation to the President.

- **TUNA** -- Tariff Commission hearings were concluded Dec. 13 on a plea by West Coast tuna fishermen for increased tariff protection against Japanese tuna imports. A spokesman for the U.S. fishermen said that "another year like 1957 will just about kill the American albacore fleet," which he said had declined from 3,000 boats in 1952 to 1,000 in 1956. Among those calling for higher tariffs on tuna was Senate Minority Leader William F. Knowland (R Calif.).

GATT and OTC

Apart from questions concerning injury to domestic producers from imports and the efficacy of escape clause procedures for gaining equitable relief, Congress is disturbed by another development in the trade agreements field. This is that, beginning with U.S. adherence to the General Agreement on Tariffs and Trade in 1947, multilateral negotiations for reductions in tariffs and other trade barriers have almost entirely replaced the bilateral arrangements made from 1934 to 1947.

America's participation in GATT is based on the President's authority under the Trade Agreements Act, and has consequently never been submitted to the approval

of Congress. This accounts for the reservation included in all recent trade agreements legislation (see box on first page). It also explains in part Congress' refusal to approve U.S. membership in the Organization for Trade Cooperation, the agency proposed to administer GATT.

Opposition to GATT stems from long-standing concern over Congress' loss of power in the tariff field. The shift from bilateral to multilateral negotiations, it is argued, further enhances the authority of the State Department in the tariff field and compounds the difficulties encountered by domestic producers in gaining consideration in tariff matters.

Outlook

Interests opposed to the Administration's trade proposals in 1958 -- including textile, coal, some chemical and independent petroleum producers -- are working through the Nation-Wide Committee on Import-Export Policy, headed by O. R. Strackbein. The Committee for a National Trade Policy remains, as in 1955, the leading group supporting a more liberal program. These and other groups expect to wage a battle-royal over the trade program.

The first test of the President's proposals will come in the House Ways and Means Committee, composed of 15 Democrats and 10 Republicans. The death Dec. 18 of Chairman Jere Cooper (D Tenn.) is not expected to affect the outcome since his successor, Rep. Wilbur Mills (D Ark.), is likewise a strong supporter of the trade agreements program. The vacancy created by Cooper's death is expected to be filled by a Democrat friendly to the program.

Only two of the 10 GOP Committee members supported the Democratic majority on the 1955 roll calls -- Reps. Hal Holmes (Wash.) and Robert W. Kean (N.J.). Opponents of the program hope to win over these two as well as three or four of the Committee's Democrats, in order to write a restrictive bill in committee. Failing this, they will repeat their 1955 effort to get an open rule when the bill moves to the floor. As a final resort, they will try again to recommit the bill.

The central objective of groups opposed to the Administration's program is to divorce the State Department from the tariff field on the ground that considerations of the domestic economy, rather than of foreign policy, should govern decisions to raise or lower tariffs. To accomplish this, they will propose that Tariff Commission recommendations on escape clause petitions be forwarded to Congress, rather than to the President, where they would become effective unless disapproved by resolution of either chamber.

Supporters of the Administration's program are concerned over the possibility that some Members of Congress who have backed the program in the past may be persuaded to switch their stands in an election year, in the face of growing unemployment at home, even though imports may be only remotely responsible. In addition, the plight of lead and zinc producers in several mining states is expected to increase the size of the opposition in the Senate. All in all, the final outcome again is expected to turn on a handful of votes, particularly in the House.

CONGRESS ADVISED TO AID FARM MIGRATION

Hearings before the Joint Economic Subcommittee on Agricultural Policy Dec. 16-20 produced general agreement among the economist witnesses that the fundamental goal of any farm policy should be to assist the continuing migration of workers from agriculture.

From 1910 to 1956, the farm population of the United States declined from 32 million to 22.3 million. The percentage of all Americans living on farms dropped from 34.9 percent in 1910 to 13.3 percent in 1956. And many of those who live on farms do not depend on agriculture for their primary source of income. (1957 Weekly Report, p. 1084)

The economists split on specific policy questions of price supports vs. free market programs, and disagreed on the potential value of such schemes as domestic parity, the soil bank and direct payments to producers. But, with a few exceptions, they indicated agreement with the statement of Theodore W. Schultz of the University of Chicago: "The proper policy question that might yield a solution to the farm problem in five to 10 years is, 'How can we aid people who ought to leave agriculture?'"

Growth Characteristics

Why is this the basic question? Because, said Schultz, the basic problem of American agriculture is "the large surplus of human effort committed to farming." This surplus has occurred, despite the large migration from the farms, because of three characteristics of American economic growth:

- 1. That growth is based mainly on improvement in the quality of human effort and technology. Schultz estimated that a 4 percent increase in the quantity of labor, land, buildings, machinery, fertilizer and lime between 1940 and 1955 brought about a 35 percent increase in farm production.

- 2. That growth has dramatically increased per capita income, but the per capita demand for farm products has increased less than one-fifth as much as the demand for non-farm goods. Between 1940 and 1956 the rise in per capita disposable personal income, in constant prices, was 53 percent. The increase in per capita consumption of food was only 8 percent.

- 3. That growth has seen the price of human labor rise very substantially in relation to the price of capital equipment, making it necessary to substitute capital for labor wherever possible. This trend has occurred in the whole economy, but it has been felt most strongly in agriculture. Schultz estimated that from 1940 to 1955 the price of capital goods -- seed, machinery, fertilizer, etc. -- in agriculture doubled, while the price of farm labor and management more than tripled, going from 20 to 65 cents an hour.

The combination of these factors -- production, income and, most particularly, wage rates increasing faster than the demand for farm products -- has, said Schultz, produced a "rapid decline in the number of workers -- family and hired -- who can earn a living from farming

that is on a par with the earnings of comparable workers in other occupations."

His conclusion, shared by most of the economists who testified: The substitution of capital for labor in agriculture must be quickened, if the remaining farmers are to enjoy a level of income comparable to that earned by similar city workers. In practical terms, this means increasing the scale of farming operations; giving each remaining farmer more land and equipment with which to work and finding other work for farmers who cannot operate on a sufficiently large scale to earn a satisfactory income.

Many of the other economists testifying endorsed Schultz's analysis of the situation. Comments from some of them:

- L. H. Simerl of the University of Illinois -- "The major farm problem in the United States today is that many hundreds of thousands of families are trying to earn a living on farms that are too small to provide enough profitable work for one man and thus are too small to provide a modern income. The problems of these families...can be solved only by a program that will help them to make more profitable use of their labor and other resources."

- C. E. Bishop of North Carolina State College -- "It seems clear that if the productivity of labor in agriculture is to be increased relative to the productivity of labor in non-farm sectors of the economy, a policy of encouraging migration must be publicly accepted and programs must be developed to strengthen the rate of migration and the assimilation of farm people into non-farm populations."

- C. Brice Ratchford of the North Carolina Extension Service -- "Programs designed to protect family farms should not perpetuate a category of low income farms. The programs should seek rather to eliminate low income farms over time by permitting some to become family farms and others to move out of agriculture."

- George H. Aull of Clemson, S. C., College -- "It cannot be overemphasized that the voluntary movement of farm people into full-time non-farm jobs provides one of the quickest and least costly means by which agriculture can adjust to economic growth and development."

- K.E. Boulding of the University of Michigan -- "If agriculture has a serious income disadvantage then it is because resources are not transferred to industry fast enough. This is specially true of the labor force."

Actual Migration

Figures furnished the Subcommittee by Nathan M. Koffsky and Ernest W. Grove of the U.S. Department of Agriculture (and summarized in the table on page 9) show that just such a migration as these economists advocate has taken place in the past 10 years. The table shows a decline of more than 25 percent in the number of non-commercial farms marketing less than \$2,500 worth of goods a year. About 982,000 non-commercial farms either went out of production or were absorbed into larger units from 1947-56.

At the same time, the number of commercial farms marketing more than \$2,500 worth of goods a year increased slightly from 1947 to 1956. Within the commercial category, Koffsky and Grove reported, there was a trend toward large farms -- with sales of \$10,000 or more -- and toward fewer small commercial farms with sales of \$2,500 to \$10,000 a year.

Income Drops

The scale of farming has increased, just as the economists have urged, and fewer families are depending on agriculture for a living. However, the income consequences have not been all that the economists might have hoped for. Income from farming declined for the average family on both commercial and non-commercial farms during the 1947-56 decade. The average non-commercial farm family was able to increase its off-farm income enough to make the total family income higher than it was in 1947. The average commercial farm family, however, did not boost its off-farm income enough to offset the drop in farm income, so its total income declined from 1947 to 1956.

The economists say, in defense of their contention that migration is the answer to the farm problem, that the drop in farm income on commercial-scale operations (19 percent) was smaller than the drop in farm income on non-commercial operations (29 percent). Moreover, so many small non-commercial farms disappeared during the decade that the drop in average family income from farming in all agriculture was only 12 percent.

In other words, these economists say, the only reason the farm situation is not worse than it is, is the fact that so many of the low-income farm families have dropped out of agriculture entirely. So many small farms have gone already that the Department of Agriculture was able to report that in fiscal 1957, commercial farms (which marketed more than \$2,500 worth of goods a year) were only 44 percent of all farms, but furnished 91 percent of all the farm produce. The other 56 percent -- the non-commercial farms -- marketed only 9 percent of the total farm goods.

Effect of Price Supports

There was some disagreement among the economists, but most expressed the belief that Government price supports for farm products, as they have worked so far, have tended to "perpetuate miscalculations in agricul-

ture." Some of them advocated new kinds of price supports -- at lower levels and announced farther in advance of planting time -- while others favored reliance on the operations of the free market.

Schultz said past price support programs "have neither hurt nor helped" the migration from agriculture very much. Ratchford said past "price policies have undoubtedly tended to keep some small farmers in agriculture, but probably have had much less effect on movement out of agriculture than the availability of non-farm employment opportunities." Bishop cited a variety of evidence backing Ratchford's statement. He concluded: "Farm product prices are not a good indicator of relative earning opportunities in farm and non-farm employment and are not a good indicator of migration incentives."

The strongest criticism of past price support policies came from Donald R. Kaldor of Iowa State College, who said: "Achieving full parity prices is competitive with the objective of comparable rewards for capital and labor in farming. On the best organized farms, these prices probably would give returns for labor and capital appreciably higher than what similar resources would be earning in other parts of the economy. On the other hand, these prices would not be high enough to pay comparable returns on poorly organized units using outmoded technology and too little land and capital in relation to labor. And there are many of these farms in American agriculture."

Whatever the effect of price supports on "the needed adjustments in agriculture," Department of Agriculture figures make it clear they have not been of much financial help to non-commercial farms. Price supports for the average non-commercial farm in fiscal 1957 cost the Government only \$109, the Department reported, while price supports for the average commercial farm cost \$1,910.

Help for Migration

Positive ways to "increase off-farm opportunities for farm people" were suggested by Harold G. Halcrow of the University of Illinois. He said: "Greater mobility can be created by developing and strengthening educational programs to prepare young people in rural areas for broader opportunities throughout the economy. Improved highway transportation facilities would make off-farm employment more readily available to members of commercial farm families. The development of vocational training and guidance programs would help farm

Trends in Number of Farms, Income -- 1947-56

The table below shows the trends in the number of farms and the sources of income on commercial and non-commercial farms from 1947 to 1956.

Year	COMMERCIAL FARMS (Sales \$2,500 or More)				NON-COMMERCIAL FARMS (Sales Less Than \$2,500)			
	Number (Thousands)	Average Family Income			Number (Thousands)	Average Farm Income		
		Farm	Off-Farm	Total		Farm	Off-Farm	Total
1947	2,140	\$4,969	\$ 747	\$5,716	3,733	\$1,114	\$1,245	\$2,359
1950	2,099	4,571	835	5,406	3,549	1,005	1,365	2,370
1954	2,180	4,363	1,165	5,528	3,021	881	1,810	2,691
1956	2,213	4,033	1,382	5,415	2,751	789	2,136	2,925

people find their most advantageous opportunities. The development of industries in present rural areas would bring employment closer to farm people." Some of these ideas are included in the Department of Agriculture's pilot Rural Development programs, set up in more than 80 counties.

Everette B. Harris, president of the Chicago Mercantile Exchange, advocated "plans to lessen the hardships on older people who leave farms.... Compensatory payments, supplemental payments, or what have you, should be used to get people off farms, not to freeze them on farms." All the economists agreed that maintenance of a healthy non-farm economy, with expanding job opportunities, would be a major contribution to migration from the farms.

The Surplus Problem

One of the notable features of these economists' analysis of the farm problem is its lack of emphasis on the accumulation of surplus goods. Secretary of Agriculture Ezra Taft Benson and most Congressional commentators on farm problems have said repeatedly that the "agricultural surplus is our number one problem."

Schultz, on the contrary, said: "These stocks (of surplus farm goods) hide...the large surplus of human effort committed to farming. It is this surplus and not the surplus stocks of wheat, corn, and cotton that is holding earnings of human effort in farming far below the earnings of comparable human effort in the rest of the economy." Schultz conceded that migration of workers from agriculture would not decrease farm production; in fact, the reverse might be expected; but he maintained that surplus production is not the main problem. He found some support for this view among other economists, particularly when the long-range view was taken.

M. R. Benedict of the University of California, supporting Schultz's analysis, said: "The excess stock situation is the one most prominently in the public eye but is not the most important element of the situation. If current production could be brought into reasonably good balance with demand, ways could be found for isolating and liquidating existing stocks over a period of years."

In the next 10 years, said Rex F. Daly of the Department of Agriculture, "domestic requirements for food and other farm products are expected to expand around 20 percent." Based on that estimate, James T. Bonnen of Michigan State University predicted "an output of farm products 15 to 20 percent in excess of 1965 consumption levels" unless certain "adjustments" are made in the interim. The adjustments: An 11 percent reduction in cropland, to below 300 million acres; a cut in the farm labor force from 6.7 million persons to slightly below 5 million; a reduction in the number of farms from 4.7 million to slightly fewer than 4 million. The realistic prospect, according to Bonnen, is "a continued imbalance between production and consumption, through 1956."

In the next 20 years, however, there is more hope of a balance. Carl P. Heisig of the Department of Agriculture said: "The volume of farm output needed by about 1975 may be 35 to 45 percent greater than the record output of 1956 and 1957.... Because of our current surplus situation, however, more of the increases will need to come in the second than in the first decade."

Glenn L. Johnson of Michigan State University, commenting on Heisig's estimate, said: "This expansion exceeds, in absolute terms, any previous expansion of the U.S. farm economy for any similar period of time.... Positive steps to encourage production will continue to be required in the future as in the past." These steps, Johnson noted, will take money, and the main problem of agriculture in the future, he said, will be to assure a sufficient supply of the capital needed to finance this expansion.

Dissenting Opinions

While the view outlined in the sections above represented the majority thinking of the economists, dissenting opinions also were heard.

Dale E. Hathaway of Michigan State University said: "The incomes of the operators of commercial farms are helped little if any by a reduction in the number of farm workers if this reduction is largely among the group that shared little in farm income. Thus, full employment which provides for a flow of underemployed persons from agriculture to non-farm jobs is highly desirable for the economy; but if at the same time farm costs are inflated more rapidly than the demand for farm products, the welfare of the operators of commercial farms may not be significantly improved."

Vernon W. Ruttan of Purdue University said the migration of low-income farmers "must be justified, by and large, on the basis of its contribution to the solution of the problem of the lower-income farmers and not on the basis of its secondary benefits to commercial farmers. It is entirely unrealistic to expect farm employment to decline at a sufficiently rapid rate to significantly affect short-term changes in the level or the stability of incomes in commercial agriculture."

Political Reaction

Aside from these criticisms by other economists, the advocates of agricultural adjustment through migration face the fact that their program is hard to sell politically. Farm organizations, even those basically sympathetic to their analysis, find it difficult to publicly urge some of their members to leave agriculture.

Many Members of Congress have highly practical reasons for declining this approach. Sen. John J. Sparkman (D Ala.), Chairman of the Subcommittee that heard Schultz and his colleagues, described migration from agriculture as "a slow and painful process" and called instead for a "progressive, courageous, bold program" to expand consumption of farm goods. "This off-farm employment thing is fine in theory," he commented, "but in the average agricultural state, off-farm employment is simply not available." "It would have had practical consequences," Sparkman said, noting that Alabama is already expected to lose one House seat in the post-1960 reapportionment. (1957 Weekly Report, p. 1101)

Rep. Wilbur D. Mills (D Ark.), a member of the Subcommittee, said people in his district who have given up farming "don't feel it's a good thing at all. When I voted for the various farm programs we have, I didn't think I was voting for the liquidation of my own constituents. As it's turned out, that's been the result."



PROMISES MATCHED AGAINST PERFORMANCE

To show how the Democrats and Republicans stand behind their party platforms, Congressional Quarterly matched major 1956 campaign promises with action taken by Congress and the Administration during 1957. In most cases accomplishment fell far short of promised action. However, much of the legislation introduced during the first session of the 85th Congress will get further attention in 1958. In the detailed record on the following pages, CQ has included excerpts from 1956 Democratic and Republican platforms and a digest of Administration and Congressional action taken during 1957 on specific issues. Highlights follow:

● **AGRICULTURE** -- Both parties pledged to gain full parity for farmers but there was no Administration request for parity legislation nor did Congress take any action on parity and price supports.

● **EDUCATION** -- The Republicans urged a five-year Federal school construction program and the Democrats also backed "legislation providing Federal financing to assist states and local communities to build schools." The House killed the school construction bill by a vote of 208-203 (D 97-126; R 111-77); the Senate took no action.

● **DEFENSE** -- The Democrats said they would "reject the false Republican notion that this country can afford only a second-best defense." The GOP platform said the party would "maintain and improve the effective strength and state of readiness...." The President requested \$36.1 billion for defense projects; Congress cut his requests by \$2.4 billion.

● **CIVIL RIGHTS** -- Both parties included civil rights planks in their 1956 platforms and President Eisenhower backed the Administration bill in several speeches, messages to Congress and news conferences. The bill finally approved was a modified version of the GOP bill with Democratic changes including a jury trial amendment.

● **STATEHOOD** -- Statehood for both Hawaii and Alaska was endorsed by both parties. Committee action, but no floor action, was taken in both chambers. The Senate

reported Alaska and Hawaii bills; the House reported an Alaska bill and completed hearings on the Hawaii measure.

● **FOREIGN AID** -- The Democrats called for a "realistic reappraisal" of the foreign aid program while the Republicans pledged to "continue to support the collective security program." Administration requests for \$3.86 billion were cut by \$618.1 million and attempts to put the program on a long-term basis were defeated although the three-year Administration-requested Development Loan Fund had funds authorized for fiscal 1958 and 1959.

● **IMMIGRATION** -- Republicans reiterated their support of President Eisenhower's 84th Congress program calling for modifications of the existing immigration laws; Democrats called for "prompt revision" of the laws. Only action taken by Congress was passage of a bill to relieve certain "hardship" immigration cases. The bill covered five of the President's 20 requests.

● **TAXES, THE BUDGET** -- Both platforms called for tax reductions but, despite suggestions that budget cuts would enable reductions, talk of a tax cut faded as the session advanced and no action was taken. The Administration again balanced the budget in fiscal 1957 -- a promise of both parties -- and critics of the \$71.8 billion fiscal 1958 budget managed to cut \$4.9 billion from it. The Republicans, who aimed at a "gradual reduction of the national debt," reduced the debt by \$1.5 billion.

● **POSTAL SERVICE** -- Republicans and Democrats alike pledged their efforts toward a more efficient postal service. A bill was reported in the House to raise general postal rates, but there was no vote. Congress approved a pay raise for postal and other Government workers that was later vetoed by the President. Congress cut the regular appropriations for the postal service by \$58 million to a point where the Postmaster General said he would be forced to cut service. The cut was partially restored when Congress approved \$133 million in supplemental requests for the Post Office, although this amount was \$16.5 million below what was asked.

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Agriculture

PRICE SUPPORTS, PARITY

Platforms

• 1956 DEMOCRATIC -- "Undertake immediately...to regain full 100 percent of parity the farmers received under the Democratic administrations. We will achieve this by means of supports on basic commodities at 90 percent of parity and by means of commodity loans, direct purchases, direct payments to producers, marketing agreements and orders, production adjustments or a combination of these.... Develop practical measures for extending price supports to feed grains and other non-basic storables and to producers of perishable commodities such as meat, poultry dairy products and the like."

• 1956 REPUBLICAN -- "Our objective is markets which return full parity to our farm and ranch people when they sell their products." Pledges "to provide price supports as in the Agricultural Act of 1954 (flexible or sliding scale supports)...to continue our commodity loan and marketing agreement programs...to make every effort to develop a more accurate measurement of farm parity...to work for improved farm prices and income."

Performance

Full parity for farmers was not achieved during 1953-1957 and the parity ratio steadily declined. (Parity is the ratio between prices paid by farmers -- including interest, taxes and wage rates -- and prices received by farmers for their agricultural products. If prices received are lower than prices paid, then the parity ratio is below 100 percent and it is not "full parity.") The farmers' parity ratio for the past eight years:

1950	1951	1952	1953	1954	1955	1956	1957*
101%	107%	100%	92%	89%	84%	82%	84%

*As of Aug. 15.

ADMINISTRATION

The Administration made no 1957 legislative requests for price support or parity legislation.

CONGRESS

The House and Senate rejected similar bills (HR 4901, S 1771) for emergency aid to major corn producing areas. Efforts to include benefits for producers of small feed grains -- principally oats, rye, barley, grain sorghums and corn grown in non-commercial areas -- also were rejected. The House March 13 rejected HR 4901, 188-217 (D 63-156; R 125-61). The Senate April 10 rejected S 1771, 35-45 (D 15-26; R 20-19).

SOIL BANK

Platforms

• 1956 DEMOCRATIC -- "We pledge to support continued improvements in the soil bank program...."

• 1956 REPUBLICAN -- "Our Republican Administration fostered a constructive soil bank program further to reduce surpluses and to permit improvement of our soil, water and timber resources."

Performance

ADMINISTRATION

The Administration requested appropriations to carry out the fiscal 1957 and 1958 soil bank program authorized in 1956. When the House agreed to an amendment to deny funds for the 1958 acreage reserve program, Secretary of Agriculture Ezra Taft Benson said the move represented "false economy" and amounted to prejudice based on insufficient trial.

CONGRESS

The Senate voted to carry out the action of its Appropriations Committee to provide funds for the Agriculture Department to enter into soil bank acreage reserve contracts during 1958. The House earlier had approved an amendment to the Agricultural Appropriation Bill to deny funds for the program in fiscal 1958 that would have had the effect of killing the acreage reserve program at the end of 1957.

The House amendment to deny use of funds for an acreage reserve program on 1958 crops was accepted by a House roll-call vote of 192-187 (D 154-46; R 38-141) on May 15.

A Senate amendment to bar use of funds for the 1958 soil bank program and limit reserve payments to \$2,500 per producer was rejected June 11 by a roll-call vote of 7-71 (D 5-37; R 2-34).

The House and Senate Aug. 1 agreed to a conference version of the bill that kept a \$500 million authorization for acreage reserve payments in 1958, but also set a Sept. 15, 1958, deadline for payments, as insisted on by House conferees. They also insisted on a \$3,000 limit on acreage reserve payments to any one producer, rather than \$2,500 originally proposed by the House and \$5,000 proposed by the Senate.

Education and Welfare

EDUCATION

Platforms

• 1956 DEMOCRATIC -- "Federal aid (to education) and action should be provided, within the traditional framework of state and local control. We pledge the Democratic party to...legislation providing Federal financing to assist states and local communities to build schools...."

• 1956 REPUBLICAN -- The Republican Administration urged (in 1956) "a five-year program of Federal assistance in building schools to relieve a critical classroom shortage. The Republican party will renew its efforts to enact a program based on sound principles of need and designed to encourage increased state and local efforts to build more classrooms."

Performance

ADMINISTRATION

President Eisenhower again requested, as he did in 1955 and 1956, a Federal aid to schools program. His 1957 program requested authorization of \$1.3 billion, at the rate of \$325 million annually for four years without restricting funds for racially segregated schools.

In 1955 the President requested a school construction program financed through purchase of local school bonds, support of a lease-purchase plan and grants-in-aid of \$200 million in three years for impoverished school districts. The revised 1956 request was for a five-year program including \$1.25 billion in matching grants to states for school construction in financially needy districts. Grants would have been allocated on the basis of need, with low-income states receiving a larger share of Federal funds. The President asked in 1956 that the bill be unincumbered with school-segregation amendments.

CONGRESS

The House killed a compromise school construction bill (HR 1) to authorize \$1.5 billion in Federal grants to the states, half on the basis of need, half to be distributed on a per capita basis. No bill was considered in the Senate.

The House July 25 accepted a motion to strike the enacting clause from (in effect, kill) HR 1, 208-203 (D 97-126; R 111-77).

SOCIAL SECURITY

Platforms

• 1956 DEMOCRATIC -- "We shall continue our efforts to broaden and strengthen (the social security)...program by increasing benefits to keep pace with improving standards of living; by raising the wage base upon which benefits depend; and by increasing benefits for each year of covered employment...."

• 1956 REPUBLICAN -- "We shall continue to seek extension and perfection of a sound social security system."

Performance

ADMINISTRATION

There were no specific Administration requests for extended social security coverage. However, 1956 amendments which lowered the eligibility age for benefits to women and disabled persons and raised the Federal share of state payments to persons on public assistance rolls went into effect.

CONGRESS

No action.

HEALTH

Platforms

• 1956 DEMOCRATIC -- "We pledge ourselves to initiate programs of Federal financial aid, without Federal controls, for medical education. We pledge continuing and increased support for hospital construction programs, as well as increased Federal aid to public health services, particularly in rural areas...."

• 1956 REPUBLICAN -- "We have fully resolved to continue our steady gains in man's unending struggle against disease and disability.... We demand once again, despite the reluctance of the Democratic 84th Congress, Federal assistance to help build facilities to train more physicians and scientists. We have encouraged a notable expansion and improvement of voluntary health insurance, and urge that reinsurance and pooling arrangements be authorized to speed this progress."

Performance

ADMINISTRATION

Research -- Requested an extended program of Federal construction grants for medical research facilities from three to five years (\$ 1917) and changes in Federal construction grants for medical research facilities so as to include grants for teaching facilities.

Secretary of Health, Education and Welfare Marion B. Folsom April 12 requested a five-year, \$225 million program to give medical and dental schools more teaching, research and training facilities. This program was to replace a three-year, \$90 million one approved by Congress in 1956. Folsom said the new program would include \$195 million for medical and \$30 million for dental facilities. Recipients of grants would have to match Federal contributions.

Health Insurance -- Asked that smaller health insurance companies and non-profit associations be permitted to pool resources and experience to develop improved health insurance coverage.

CONGRESS

Research -- In the final version of the Labor-Health, Education and Welfare Appropriation bill (HR 6287), Congress voted to allocate \$21 million more than the President had requested for the research activities of the National Institutes of Health. Congress, however, took no action on the HEW request for the long-term teaching research program.

Health Insurance -- No action was taken.

HOUSING

Platforms

• 1956 DEMOCRATIC -- "We pledge...immediate revival of the basic housing program enacted...in 1949, to expansion of this program as our population and resources grow and to additional legislation to provide housing for middle-income families and aged persons.... We favor increasing the Federal share of the cost of (urban redevelopment and renewal) programs.... We pledge that the housing insurance and mortgage guarantee programs will be redirected in the interest of the home owner and that the availability of low-interest housing credit will be kept consistent with the expanding housing needs of the Nation... We favor providing aid to urban and suburban communities in better planning for their future development and redevelopment.... The Republican Administration has sabotaged (the goal of the 1949 Housing Act) by reducing the public housing program to a fraction of the Nation's need."

• 1956 REPUBLICAN -- "We are proud of and shall continue our far-reaching and sound advances in matters of basic human needs (including)...improved housing.... We have supported measures that have made more housing available than ever before in history, reduced urban slums in local-Federal partnership, stimulated record home ownership and authorized additional low-rent public housing."

Performance

ADMINISTRATION

Private Housing -- The Administration requested Congress to: authorize \$250 million for special assistance mortgage purchases by the Federal National Mortgage Assn. (FNMA); allocate \$50 million of new FNMA purchase authorization for cooperative housing mortgages; permit FNMA to purchase \$300 million in whole mortgages; authorize Government purchase of \$100 million of FNMA preferred stock; authorize FNMA to borrow \$700 million from the Treasury, half in fiscal 1957, half in fiscal 1958.

Public Housing -- Requested that small communities be exempted from qualifying restrictions for Federal aid in public housing programs.

College Housing -- The Administration backed higher interest rates on college housing loans and a \$175 million increase in the borrowing authority for college housing loans.

Urban Renewal and Slum Clearance -- Requested authorization of an additional \$250 million a year for two years for community redevelopment and slum clearance.

CONGRESS

With the exception of the request for higher interest rates on college loans, all the Administration housing requests were included in some form in the \$1.9 billion housing bill (HR 6659) which received final approval in the House June 28 and in the Senate July 1. The legislation authorized the Federal Housing Administration to lower the minimum down-payment requirements on mortgages it insured and to "fix reasonable limits" on mortgage discounts. No change was made in the 45,000 public housing each year authorized for two years in 1956.

Labor

Platforms

• 1956 DEMOCRATIC -- "We unequivocally advocate repeal of the Taft-Hartley Act.... We feel it imperative to raise the minimum wage to at least \$1.25 an hour.... We further pledge as a matter of priority to extend full protection of the (minimum wage law)...to all workers engaged in, or affecting, interstate commerce.... We pledge...to support legislation providing for an effective program to promote industry and create jobs in depressed industrial and rural areas...."

• 1956 REPUBLICAN -- "The Eisenhower Administration will continue to fight for dynamic and progressive programs which... will: ...Protect by law, the assets of employee welfare and benefit plans so that workers who are the beneficiaries can be assured of their rightful benefits;...extend the protection of the Federal minimum wage laws to as many more workers as is possible and practicable;...provide assistance to improve the economic conditions of areas faced with persistent and substantial unemployment;...revise and improve the Taft-Hartley Act so as to protect more effectively the rights of labor unions, management, the individual worker and the public."

Performance

ADMINISTRATION

The President asked Congress to extend the Fair Labor Standards Act (minimum wage, etc.) to additional workers and to require Federal registration of private pension and welfare funds. No mention was made of the Taft-Hartley Act. The President April 25 called for swift enactment of legislation to require registration, reporting and public disclosure of full data on union health and welfare funds and disclosure of all other financial records of unions.

CONGRESS

Minimum Wage -- The Senate Labor and Public Welfare Labor Subcommittee May 7 reported to the full Committee a bill (S 1853) to extend the \$1 an hour minimum wage to about six million additional workers. The Committee did not act on the bill before adjournment. The House Education and Labor Committee held hearings on minimum wage legislation but did not act.

Taft-Hartley -- No action.

Welfare Plan Protection -- Both the Senate and House Labor Committees held hearings on proposed legislation to regulate welfare and pension funds. Investigations by the Senate Select Committee on Improper Activities in the Labor and Management Fields publicized abuses in the programs and in other sections of management and labor. No Congressional action was taken, however.

National Defense

Platforms

• 1956 DEMOCRATIC -- "The Republicans have slashed our own armed strength, weakened our capacity to deal with military threats, stifled our Air Force, starved our Army and weakened our capacity to deal with aggression of any sort save by retreat or by the alternatives, 'massive retaliation' and global atomic war.... We reject the false Republican notion that this country can afford only a second-best defense. We stand for strong defense forces so clearly superior in modern weapons to those of any possible enemy that our armed strength will make an attack upon the free world unthinkable, and thus be a major force for world peace. The Republican Administration stands indicted for failing to recognize the necessity of proper living standards for the men and women of our armed forces and their families. We pledge ourselves to the betterment of the living conditions of the members of our armed services and to a needed increase in the so-called 'fringe benefits'."

• 1956 REPUBLICAN -- "Our country's defense posture is today a visible and powerful deterrent against attack by an enemy, from any quarter, at any time. We have the strongest striking force in the world -- in the air -- on the sea -- and a magnificent supporting land force in our Army and Marine Corps.... We will maintain and improve the effective strength and state of readiness of all these armed forces. To achieve this objective, we must depend upon attracting to and retaining in our military services vigorous and well trained manpower, and upon continuously maintaining in reserve an enthusiastic and well-informed group of men and women. This will require incentives that will make armed service careers attractive and rewarding. A substantial start has been made toward bolstering the rewards and benefits that accompany a military career. We must continue to provide them.

Performance

ADMINISTRATION

Defense Policy -- President Eisenhower requested a defense program that would "provide a wise and reasonable degree of protection for the Nation." He requested appropriations of \$36.1 billion to carry out his program. This was \$1.4 billion more than the final amount appropriated in fiscal 1957.

Later, on April 18, the President said that \$516 million in Army procurement and production funds could be withheld if the House chose to do so. When the House approved a bill carrying \$33.6 billion, Secretary of Defense Charles E. Wilson wrote the Senate Appropriations Defense Subcommittee and said \$1.2 billion of the cuts should be restored "in order that important programs of the services may not be unduly hampered because of lack of funds."

Wilson May 16 said it was "clear...that the apparent increase in the size of the defense budget since 1954 simply reflects the effect of price and wage increases and bookkeeping changes."

Cordiner Report -- A report of the Defense Advisory Committee on Professional and Technical Compensation, headed by General Electric Co. President Ralph J. Cordiner, proposed "a modern compensation plan to pay (military) people what their services are actually worth." The committee said "savings and gains up to \$5 billion a year by 1962 or sooner" would result from the plan and that there would be "about a 15 percent improvement in the combat capacities without a significant change in the budget."

Wilson April 4 said "only a portion" of the recommendations should be "considered for adoption at this time." On May 8 Wilson approved a proficiency pay system for approximately 350,000 skilled technicians in the armed forces. President Eisenhower said at his June 19 news conference that he was in favor of the Cordiner Committee's recommendations but opposed "at this time" a pay raise "to include all the generals and everybody else" in the services.

Defense Spending -- Although defense expenditures were still below the fiscal 1953 total of \$43.6 billion, they were still climbing. Total annual defense expenditures, by fiscal years:

1954	\$40.3 billion
1955	35.5 billion
1956	35.7 billion
1957	35.8 billion (estimated)
1958	37.7 billion (estimated)

Spending for all national security programs -- defense, military foreign aid, atomic energy and stockpiling -- continued to account for over half of all Federal expenditures. The portion of Federal funds spent on these programs remained on a higher level than that of the last pre-Korean conflict year (fiscal 1950). The percentage of the total U.S. budget spent on national security for the last nine fiscal years:

1950	1951	1952	1953	1954	1955	1956	1957	1958*
32.5%	51%	67%	68%	69%	63%	61%	59%	60%

* Estimated

Army, Navy, Air Force -- Estimates of fiscal 1958 funds to be spent on the three services showed increases over the three previous years. Net expenditures for defense activities of the three services, by fiscal years, in billions of dollars:

	1953	1954	1955	1956	1957*	1958*
Army	\$16.2	\$12.9	\$ 8.9	\$ 8.7	\$ 8.6	\$ 9.1
Navy	11.9	11.3	9.7	9.7	9.7	10.3
Air Force	15.1	15.7	16.4	16.7	16.9	17.5

* Estimated

Manpower, Draft -- Twice in 1957 the Defense Department announced reduced goals in manpower. The first announcement said forces would be reduced to 2.7 million by the end of 1958 and the second announced a further reduction to almost 2.6 million by June 30, 1959. The average number of military personnel on active duty for the past six fiscal years:

1953	3.7 million
1954	3.4 million
1955	3.2 million
1956	2.9 million
1957	2.8 million
1958	2.7 million (estimated)

CONGRESS

Defense Funds, Policy -- Despite protests from the President, Congress approved defense appropriations that were almost \$2.4 billion less than the President had requested. The final total was \$774 million less than the Senate had voted and \$197 million more than the House had approved originally.

Before the House May 29 passed its version of the appropriations bill by a roll-call vote of 394-1, it rejected by a roll-call vote of 151-242 (D 11-203; R 140-39), a motion to recommit the bill with instructions to increase the total by \$313 million.

The Senate July 2 passed its version of the bill by a roll-call vote of 74-0. It rejected, by a roll-call vote of 7-65 (D 7-27; R 0-38), a Democratic move to reduce numerous items in the bill \$1,058 billion and to provide \$500 million to establish additional Army and Marine combat units using non-nuclear firepower. Also rejected was an amendment to reduce defense funds a total of \$182 million. The vote was 24-49 (D 11-24; R 13-25).

Miscellaneous and Administrative

CIVIL RIGHTS

Platforms

• 1956 DEMOCRATIC -- "We will continue our efforts to eradicate discrimination based on race, religion or national origin. We know this task requires...the cooperative efforts of individual citizens and action by state and local governments. It also requires Federal action.... The Democratic party pledges itself to continue its efforts to eliminate illegal discriminations of all kinds, in relation to (1) full rights to vote, (2) full rights to engage in gainful occupations, (3) full rights to enjoy security of the person, and (4) full rights to education in all publicly supported institutions. Recent decisions of the Supreme Court...relating to segregation...have brought consequences of vast importance to our Nation...and especially to communities directly affected. We reject all proposals for the use of force to interfere with the orderly determination of these matters by the courts. The Democratic party emphatically reaffirms its support of the historic principle that ours is a Government of laws and not of men; it recognizes (that)...the decisions of (the Supreme Court) are part of the law of the land."

• 1956 REPUBLICAN -- "The Republican party...commits itself anew to advancing the rights of all our people regardless of race, creed, color or national origin.... We support the enactment of the civil rights program already presented by the President to the second session of the 84th Congress.... The Republican party accepts the decision of the U.S. Supreme Court that racial discrimination in publicly supported schools must be progressively eliminated. We concur in the conclusion of the Supreme Court that its decision directing school desegregation should be accomplished with 'all deliberate speed' locally through Federal district courts... We believe that true progress can be attained through intelligent study, understanding, education and good will. Use of force or violence by any group or agency will tend only to worsen the many problems inherent in the situation. This progress must be encouraged and the work of the courts supported in every legal manner by all branches of the Federal Government.... The Eisenhower Administration...will continue to fight for the elimination of discrimination in employment because of race, creed, color, national origin, ancestry or sex...."

Performance

ADMINISTRATION

Civil Rights Legislation -- President Eisenhower again requested establishment of a bipartisan commission to examine charges of violations of civil rights and authorization of an additional attorney general in the Justice Department to administer a new civil rights division. He made new requests for legislation to permit the Federal Government to seek from civil courts preventive relief in civil rights cases and legislation to aid in the enforcement of voting rights. As the civil rights bill was debated, President Eisenhower said several times that he wanted the bill to contain all of his original requests.

School Segregation -- President Eisenhower requested that his school construction program "be enacted on its own merits, uncomplicated by provisions dealing with the complex problems of integration."

When integration problems flared up in Little Rock, Ark., the President issued a proclamation that the people of Little Rock should "cease and desist" from the "obstruction of justice" that was involved in their efforts to prevent Negro students from entering the Little Rock high school. He then sent Federal troops into Little Rock to protect the Negro students and permit them to attend the school in a normal manner.

CONGRESS

Civil Rights Legislation -- Congress approved a modified version of the Administration's civil rights bill (HR 6127). The bill established the Civil Rights Commission, authorized the additional Attorney General, prohibited attempts to intimidate or coerce persons from voting in Federal elections and empowered the Attorney General to seek an injunction when an individual was deprived or about to be deprived of his right to vote. The bill also provided that in all criminal contempt cases arising from the provisions of the Act, the accused, upon conviction, would be punished by fine or imprisonment or both, and specified when the accused could be tried with or without a jury. Qualifications for jurors also were outlined in the Act.

The House June 18 passed HR 6127 by a 286-126 roll-call vote (D 118-107; R 168-19). It had adopted a rule for the consideration of the bill on a 291-117 roll call (D 113-107; R 178-10). A motion to recommit the bill with instructions to insert a jury trial provision, not a part of the original House version of HR 6127, was rejected 158-251 (D 113-112; R 45-139).

The Senate Aug. 7 passed an amended version of HR 6127 on a 72-18 roll call (D 29-18; R 43-0). It had placed the bill on the Senate calendar June 20 by defeating 39-45 (D 34-11; R 5-34) a point of order against this procedure. That action was confirmed on a 49-36 roll call (D 12-33; R 37-3). The Senate July 16 had agreed to consider the bill 71-18 (D 29-18; R 42-0). It rejected 35-54 (D 31-16; R 4-38) a motion to refer the bill to the Judiciary Committee with instructions to report it in seven days.

The Senate took the following roll calls on amendments:

Accepted an amendment to add language repealing an 1866 statute permitting the President to use troops to enforce existing civil rights laws. The vote was 90-0 (D 47-0; R 43-0).

Rejected an amendment to modify part III of the bill to permit the Attorney General to institute civil action for the protection of civil rights guaranteed under the 14th Amendment only when directed to do so by the President. The vote was 29-61 (D 7-40; R 22-21).

Rejected an amendment to authorize the Attorney General to institute civil action for preventive relief only when a conspiracy prevented or hindered compliance with a Federal court order issued to secure equal protection provided by the 14th Amendment. The vote was 8-81 (D 2-45; R 6-36).

Accepted an amendment to eliminate a section of the bill that would have permitted the Attorney General to institute civil action for preventive relief in civil rights cases under the 14th Amendment. The vote: 52-38 (D 34-13; R 18-25).

Accepted an amendment to guarantee jury trials in all cases of criminal contempt and provide uniform methods of selecting Federal court juries. The vote: 51-42 (D 39-9; R 12-33).

Rejected an amendment to make a district court's jurisdiction over right-to-vote cases permissive rather than mandatory when administrative remedies had not been exhausted. The vote: 34-47 (D 30-13; R 4-34).

Congress Aug. 29 completed action on HR 6127, after both chambers agreed on a modified version of the Senate's jury trial provision. The House first voted 274-101 (D 124-86; R 150-15) to end debate on the provision. It then approved the provision itself by a 279-97 roll call (D 128-82; R 151-15). The Senate rejected 18-66 (D 18-26; R 0-40) a motion to refer the House-approved provision to the Senate Judiciary Committee. It then concurred in the compromise jury trial provision 60-15 (D 23-15; R 37-0).

School Segregation -- The House July 25 by a 136-105 teller vote adopted an amendment to the school construction bill to prohibit use of Federal funds in any school district operating segregated schools in violation of the Supreme Court's integration ruling. The school construction bill later was killed when the enacting clause was struck. (See p. 12)

STATEHOOD

Platforms

● 1956 DEMOCRATIC -- "We...pledge immediate statehood for these two territories (Alaska and Hawaii)."

● 1956 REPUBLICAN -- "We pledge immediate statehood for Alaska, recognizing the fact that adequate provision for defense requirements must be made. We pledge immediate statehood for Hawaii."

Performance

ADMINISTRATION

In his Jan. 16 budget message President Eisenhower repeated his request for statehood for Hawaii and, for the first time, requested Congress to grant statehood to Alaska "subject to area limitations and other safeguards for the conduct of defense activities." The Administration later proposed statehood for the existing territory of Alaska, but permitting the President to withdraw, for use as a military reservation, the northern, less populated areas.

CONGRESS

The Senate Interior and Insular Affairs Committee July 30 approved two bills (S 49, 50) providing for Alaskan and Hawaiian statehood. The Senate took no action on the bills before adjournment.

The House Interior and Insular Affairs Committee June 25 reported an Alaskan statehood bill (HR 7999). The Committee completed hearings on the Hawaiian bill (HR 49), but took no final action. The House did not act on the Alaskan bill before the session ended.

LOYALTY AND SECURITY

Platforms

● 1956 DEMOCRATIC -- "We propose...a fair and non-political loyalty program, by law, which will protect the Nation against subversion and the (Federal) employee against unjust and un-American treatment."

● 1956 REPUBLICAN -- "We will continue a security program to make certain that all people employed by our Government are of unquestioned loyalty and trustworthiness."

Performance

ADMINISTRATION

FBI Files -- President Eisenhower June 27 urged Congress to close "loopholes" resulting from a June 3 Supreme Court decision that defendants had the right to examine prior relevant testimony given to the Federal Bureau of Investigation by Government witnesses, so inconsistencies could be challenged.

CONGRESS

FBI Files -- Congress approved an amended bill (S 2377) that was a compromise between Senate and House bills (HR 7915). The conference version of the bill was agreed to by the Senate Aug. 29 and the House Aug. 30. The legislation clarified the disclosure procedure by providing that following testimony by a Government witness, the defendant in a criminal case could request relevant Government-held written statements signed or approved by the witness, or transcriptions or records of oral statements made by the witness to Government agents. The bill also authorized the trial judge to screen the material for relevancy.

POSTAL SERVICE

Platforms

● 1956 DEMOCRATIC -- "We pledge...programs which will...restore the principle that the Postal Service is a public service to be operated in the interest of improved business economy and better communication.... To restore postal employee morale through the strengthening of the merit system...(and through) payment of realistic salaries.... Establish a program of research and development...adequate to insure the most modern and efficient handling of the mails.... Undertake modernization and construction of desperately needed postal facilities designed to insure the finest postal system in the world."

● 1956 REPUBLICAN -- "We pledge to continue our efforts...for a financially sound, more nearly self-sustaining postal service -- with the users of the mails paying a greater share of the costs instead of the taxpayers bearing the burden of huge postal deficits. We pledge to continue and to complete this vitally needed program of modernization of building, equipment, methods and service...."

Performance

ADMINISTRATION

Rate Increase -- President Eisenhower in his budget message asked Congress to raise postal rates to increase postal revenues by \$641 million a year. He also asked that the Post Office be reimbursed for services it was required to perform free or at reduced rates.

Fiscal 1958 Appropriations -- When Congress cut the regular appropriations for the Post Office Department by \$58 million, Postmaster General Arthur E. Summerfield said he would be forced to curtail mail services drastically unless the money were restored.

President Eisenhower June 3 requested supplemental appropriations of \$149.5 million which included restoration of Congressional cuts and additional funds made necessary by an increased postal work load. Summerfield again said that unless postal funds were increased he would make sweeping cuts in service.

Summerfield May 27 announced increased rates as of July 1 on special postal services over which he held rate-fixing power. Services affected included special delivery, registered mail, insurance fees, COD service and money order charges.

Postal Workers Pay Raise -- The Administration opposed a bill (HR 2474) to grant a \$546 pay increase in the annual salaries of over 500,000 postal workers. Following approval by Congress, the bill was pocket vetoed by Mr. Eisenhower who said it would contribute unnecessarily to "existing and incipient inflationary pressures in our national economy."

CONGRESS

Rate Increase -- The House Post Office and Civil Service Committee June 3 reported a bill (HR 5836) to provide for rate increases in all mail classes. The House did not act on the bill before adjournment.

Chairman Olin D. Johnston (D S.C.) of the Senate Post Office and Civil Service Committee March 25 cancelled hearings on postal rate increase bills after an attempt on the Senate floor to attach the Administration rate increase bill as a rider to a minor armed forces postal measure (HR 4815). Rate increase hearings were resumed in December.

Fiscal 1958 Appropriations -- Regular fiscal 1958 funds for the Post Office Department were approved by Congress May 13 with \$58 million less than the Administration requested. Congress June 26 also cut the request for supplemental funds by \$16.5 million to \$133 million. The House Committee report on the supplemental bill said the cut could "be effected without materially interfering with present mail service."

Postal Workers Pay Raise -- Congress (the House July 23, Senate Aug. 27) approved the bill (HR 2474) later vetoed by the President.

Taxes and Economic Policy

TAXES

Platforms

• 1956 DEMOCRATIC -- "A fully expanding economy can yield enough tax revenues to meet the inescapable obligations of Government, balance the Federal budget and lighten the tax burden.... We favor realistic tax adjustments, giving first consideration to small independent business and the small individual taxpayer. Lower-income families need tax relief.... We favor an increase in the present personal tax exemption of \$600 to a minimum of at least \$800.... We pledge ourselves...to the realistic application of the principle of graduated taxation to...corporate income (of small and independent businesses)."

• 1956 REPUBLICAN -- "In so far as consistent with a balanced budget, we pledge to work toward these...objectives: Further reductions in taxes with particular consideration for low- and middle-income families; initiation of a sound policy of tax reductions which will encourage small independent businesses to modernize and progress; continual study of additional ways to correct inequities in the effect of various taxes."

Performance

ADMINISTRATION

Income, Excise and Corporate Taxes -- President Eisenhower asked that income taxes be continued at existing rates and that existing corporate and excise tax rates be continued for one year.

Small Business -- President Eisenhower requested that Congress extend the life of the Small Business Administration and authorize an additional \$45 million for it in fiscal 1957 and an additional \$66 million in fiscal 1958.

CONGRESS

Income, Corporate and Excise Taxes -- Congress made no reduction in income taxes despite suggestions by many Members that this could be done following reductions in the Administration budget.

Congress March 28 extended current corporate and excise tax rates (HR 4090) until June 30, 1958.

The House June 20 approved a bill (HR 7125) to make technical changes in Federal excise tax laws. The bill was based on recommendations made by the House Ways and Means Excise Tax Subcommittee following a two-year study. It was estimated the bill would reduce Federal excise tax revenue \$15 million. The Senate did not act.

Small Business -- Sen. J.W. Fulbright (D Ark.) attempted to amend the bill extending corporate and excise taxes to aid small business corporations by adjusting normal-tax and surtax rates rather than extending corporate taxes. The effect of the amendment, he said, would have been to reduce tax bills for corporations earning less than \$225,000 annually and raise those above that figure. The amendment was rejected March 27 by a roll-call vote of 33-52 (D 28-15; R 5-37).

GOVERNMENT SPENDING

Platforms

• 1956 DEMOCRATIC -- "We pledge ourselves to achieve an honest and realistic balance of the Federal budget in a just and fully prosperous American economy.... A fully expanding economy can yield enough tax revenues to meet the inescapable obligations of Government, balance the...budget and lighten the tax burden."

• 1956 REPUBLICAN -- "We pledge to pursue the following objectives: Further reductions in Government spending as recommended in the Hoover Commission Report, without weakening the support of a superior defense program or depreciating the quality of essential services of Government to our people; continued balancing of the budget to assure the financial strength of the country...gradual reduction of the national debt.... We shall continue to dispense with Federal activities wrongfully competing with private enterprise and take other sound measures to reduce the cost of Government."

Performance

ADMINISTRATION

Spending -- President Eisenhower presented a fiscal 1958 budget that was a record high for peacetime. It was the highest budget since 1953 when President Truman and his Administration had total net expenditures of \$74.3 billion. Total net Federal expenditures under both Administrations (by fiscal year, in billions):

TRUMAN	<u>1950</u>	<u>1951</u>	<u>1952</u>	<u>1953</u>	
	\$40	\$44	\$65.4	\$74.3	
EISENHOWER	<u>1954</u>	<u>1955</u>	<u>1956</u>	<u>1957*</u>	<u>1958*</u>
	\$67.8	\$64.6	\$66.4	\$68.9	\$71.8

*Estimated

Balanced Budget -- The Administration again balanced the budget in fiscal 1957 with preliminary figures issued by the Treasury showing a \$1.6 billion surplus. Estimates for fiscal 1958 were for a surplus of \$1.8 billion, though declining revenue and higher military costs indicated the surplus would be smaller.

National Debt -- The public (national) debt July 1, 1957, was \$268.5 billion. This was \$1.5 billion lower than the previous year and \$6 billion lower than the July 1, 1955, high of \$274.4 billion. By the end of 1957 the debt was close to the \$275 billion legal limit.

Appropriations -- In an effort to cut Government spending and reduce the President's \$71.8 billion budget, Members of Congress announced an economy campaign. They succeeded in cutting the budget to \$59.1 billion although some of the funds cut were for regular payments on authorized programs which would require supplemental appropriations. Total direct appropriations of new money, by calendar year, in which they were voted:

1953, \$54.5 billion -- 8 percent below President Eisenhower's requests and 21 percent below ex-President Truman's estimates.
1954, \$47.6 billion -- 5 percent below requests.
1955, \$53.1 billion -- 4 percent below requests.
1956, \$60.6 billion -- 1 percent below requests.
1957, \$59.1 billion -- 7.6 percent below requests.

Budget Cut Resolution -- The House March 12 adopted, by a roll-call vote of 220-178 (D 210-3; R 10-175), a resolution (H Res 190) requesting the President to "indicate the places and amounts in his budget where he thinks substantial reduction may best be made." The resolution had no legal force and the President said it was up to Congress to determine how and whether the budget could be cut.

INFLATION

Platforms

• 1956 DEMOCRATIC -- "The first time-bomb of the Republican crusade against full prosperity for all was the hard money policy. This has increased the debt burden on depressed farms, saddled heavier costs on small business, foisted higher interest charges on millions of home-owners, including veterans, pushed up unnecessarily the cost of consumer credit, and swelled the inordinate profits of a few lenders of money."

• 1956 REPUBLICAN -- "Consistent with the Republican Administration's accomplishment in stemming the inflation...we endorse the present policy of freedom for the Federal Reserve System to combat inflation and deflation by wise fiscal policy. The Republican party believes that sound money, which retains its buying power, is an essential foundation for new jobs, a higher standard of living, protection of savings, a secure national defense and the general economic growth of the country."

Performance

ADMINISTRATION

Consumer Credit -- The Federal Reserve Board May 24 reported, after a year-long study, that it was not advisable to place Federal controls on consumer installment credit. The Board said it would be more beneficial if "potentially unstabilizing credit developments" were restrained by the use of general monetary measures "and the application of sound public and private fiscal policies." The White House May 25 said President Eisenhower would not ask Congress to grant him standby authority to regulate consumer installment credit.

Platforms vs. Performance - 8

Federal Reserve Discount Rate -- The Federal Reserve Board in August, 1957, approved a rise in its discount rate to member banks from 3 percent to 3½ percent and then, in November, approved reduction of the rate to 3 percent. This was the first discount rate reduction since April, 1954, and a Federal Reserve spokesman said it was "recognition that inflation, at least temporarily, has ceased to be the dominant factor in the economy." The effect of the reduction was to make money less tight.

CONGRESS

Monetary Study -- The House March 27 defeated, by a 174-225 roll-call vote, a Democratic-backed proposal (H Res 85) for an investigation of national monetary and credit policies by the Banking and Currency Committee. President Eisenhower had requested the study be conducted by a citizens' commission. The Senate Finance Committee undertook a fiscal policy inquiry on its own.

POWER AND WATER

Platforms

● 1956 DEMOCRATIC -- "We pledge the resumption of rapid and orderly multiple-purpose river basin development throughout the country... (which) will bring into reality the full potential benefits of flood control, irrigation and our domestic and municipal water supply from surface and underground waters... (and will) materially aid low-cost power (and) navigation.... We pledge our aid to the growing requirements of the semi-arid western states for an adequate water supply to meet the vital domestic, irrigation and industrial needs of the rapidly growing urban centers.... We will take appropriate and vigorous steps to prevent comprehensive drainage basin development plans from being fragmented by single-purpose projects.... We will carry forward increased and full production of hydroelectric power on our rivers and of steam generation for the Tennessee Valley Authority to meet its peacetime and defense requirements. Such self-liquidating projects must go forward in a rapid and orderly manner, with appropriate financing plans.... We shall once more rigorously enforce the anti-monopoly and public body preference clauses.... We shall preserve and strengthen the public power competitive yardstick in power developments under (existing)... and future projects, including atomic power plants, under a policy of the widest possible use of electric energy at the lowest possible cost."

● 1956 REPUBLICAN -- "We recognize that the burgeoning growth of our Nation requires a combination of Federal, state and local water power development -- a real partnership of effort by all interested parties. In no other way can the Nation meet the huge and accelerated demands for increasing generating capacity and uses of water, both by urban and agricultural areas.... We commend the Eisenhower Administration for encouraging state and local governments, public agencies and regulated private enterprise to participate actively in comprehensive water and power development. In such partnership we are leading the way with great Federal developments such as the Upper Colorado project and with partnership projects of great importance, some of which have been shelved by the Democratic 84th Congress. In the marketing of Federally produced power we support preference to public bodies and cooperatives under the historic policy of the Congress. We will continue to press for cooperative solution of all problems -- water supply and distribution, reclamation, pollution, flood control and saline water conversion.... We pledge an expansion in research and planning of water resource development programs, looking to the future when it may be necessary to redistribute water from water surplus areas to water deficient areas."

Performance

ADMINISTRATION

Hells Canyon -- Secretary of Interior Fred A. Seaton Jan. 4 said he would oppose any legislation for construction of a Federal dam at Hells Canyon on the Snake River near the Idaho-Oregon border. It was reported May 14 that President Eisenhower had told a group of Republican legislators that the Administration would continue to oppose Hells Canyon construction.

Fryingpan-Arkansas -- The President again asked Congress, as he did in 1955 and 1956, to authorize Federal development of the Fryingpan-Arkansas reclamation project in Colorado.

Niagara Power -- The President again requested authorization of a Niagara Falls (N.Y.) power project.

Rivers and Harbors -- At his March 27 press conference, President Eisenhower said, referring to the rivers and harbors flood control and improvement program (S 497), "If anyone is interested in economy, let's... take... the great number of public works that are authorized without proper engineering studies to back them up. Congress authorizes them. Why? It must be for political purposes, because the Engineering Department has not said they were necessary."

TVA Financing -- The President requested a self-financing program for TVA.

Flood Insurance -- The President requested funds for the program.

CONGRESS

Hells Canyon -- The Senate June 21, by a roll-call vote of 45-38 (D 40-5; R 5-33), authorized the Hells Canyon construction program (S 555). The House Interior and Insular Affairs Committee July 24 voted 16-14 to strike the enacting clause from a similar House bill (HR 5). Committee action on S 555 was deferred.

Fryingpan-Arkansas -- The Senate June 27 approved a bill (S 60) for construction of the project but the House Interior and Insular Affairs Irrigation Subcommittee after holding hearings, took no further action.

Niagara Power -- By a roll-call vote of 313-75 (D 197-10; R 116-65), the House Aug. 1 approved a bill (HR 8643) authorizing the New York State Power Authority to build a \$532 million power project at Niagara Falls, N.Y., with half the power to go to public bodies and the other half to private firms. The Senate passed HR 8643 by voice vote Aug. 12.

Rivers and Harbors -- The Senate March 28 by a roll-call vote of 42-22 (D 28-5; R 14-17) passed S 497 to authorize the \$1.5 billion program for rivers and harbors. The bill was reported but did not come up in the House.

TVA Financing -- The Senate Aug. 9 passed a bill (S 1869) to enable the TVA to issue up to \$750 million in revenue bonds to pay for new power plants. The roll-call vote was 61-20 (D 36-5; R 25-15). The House Aug. 13 reported, but did not act, on a TVA financing measure (HR 4266).

Flood Insurance -- The House May 7 rejected, by a 97-127 teller vote, an amendment to a supplemental appropriations bill for fiscal 1957 that would have provided \$14 million to initiate a Federal flood insurance program. The Senate May 20 added the provision to the bill. The House June 18, rejected, by a 186-218 (D 127-89; R 59-129) roll-call vote, a motion to concur in the Senate provision.

ATOMIC ENERGY

Platforms

● 1956 DEMOCRATIC -- "The Democratic party pledges itself ... to restore nonpartisan administration of the vital atomic energy program.... To accelerate the domestic civilian atomic power program by the construction of a variety of demonstration prototype reactors.... To give reality -- life and meaning -- to the atoms for peace program.... To increase the production of fissionable material for use in a stockpile for peacetime commitments at home and abroad.... To conduct a comprehensive survey of radiation hazards from bomb tests and reactor operations to determine what additional measures are required to protect existing and future generations from these invisible dangers...."

● 1956 REPUBLICAN -- "The Republican party pledges continuous, vigorous development of atomic energy.... For the defense of our own country and to deter aggression and for the promotion of world peace and the enhancement of our knowledge or basic science and its application to industry, agriculture and the healing arts.... More and more private funds are being invested (in the atomic energy industry) as the Government monopoly is relaxed. In relaxing its monopoly, Government can stimulate private enterprise to go ahead.... The Atomic Energy Commission also is encouraging a vigorous rural electrification program by cooperatives."

Performance

ADMINISTRATION

In a special March 22 message to Congress, the President requested ratification of the International Atomic Energy Agency Treaty and said "the United States is under no obligation to disclose any secret information." He also asked Congress to authorize Government supplement to commercial insurance against liability from nuclear accidents.

Atomic Construction -- When he signed a bill (HR 8996) making new authorizations for Government atomic construction and assistance, the President said he did not oppose the preliminary studies on the natural uranium and plutonium production reactors, although the Atomic Energy Commission considered the reactor types "unnecessary and undesirable at this time." But he said he would oppose "the expenditure of public money for the construction and operation by the Government of any large-scale power reactor, or any prototype thereof, unless private enterprise has first received reasonable opportunity to bear or share the cost."

CONGRESS

International Atomic Energy Agency -- The Senate completed action Aug. 20 on ratification of the Agency Treaty (Exec I, 85th Congress, first session). The Bricker Amendment to the treaty to let Congress decide how and when fissionable materials should be turned over to the Agency was rejected by the Senate by a roll-call vote of 31-55 (D 13-31; R 18-24).

Atomic Construction -- House and Senate Aug. 20 agreed to a compromise version of a bill (HR 8996) authorizing \$352 million for Government construction and assistance in the development of atomic energy for peaceful and military purposes. A large role in the program was assigned to the Federal Government.

Foreign Policy

FOREIGN AID

Platforms

• 1956 DEMOCRATIC -- "We will give renewed strength to programs of economic and technical assistance (to underdeveloped countries).... The Democratic party believes the time has come for a realistic reappraisal of the American foreign aid program, particularly as to the extent and conditions to which it should be continued...."

• 1956 REPUBLICAN -- "We shall continue to support the collective security system.... Where needed, we shall help friendly countries maintain...local forces and economic strength.... We will continue efforts...to assist the underdeveloped areas of the free world...."

Performance

ADMINISTRATION

Aid Extension -- The President again asked Congress to authorize a Mutual Security Program for allies and underdeveloped countries.

Long-Term Commitments -- The President requested permanent authorizations for military assistance, defense support appropriations and technical cooperation and the establishment of a Development Loan Fund to provide long-term economic assistance.

Fairless Committee Report -- A special seven-member Presidential Advisory Committee March 5 recommended that Congress put foreign aid programs on a two-year basis instead of year-to-year. The group, headed by Benjamin F. Fairless, former chairman of the board of United States Steel Co., said the U.S. must "abandon the false hope that collective security costs are temporary.... Our policies are proving their worth, and we should hold firmly to them."

CONGRESS

Authorization and Appropriations -- Congress took final action Aug. 14 on the authorization for the 1957 Mutual Security Program (S 2130) when the House accepted a conference report on the bill by a roll-call vote of 226-163 (D 126-89; R 100-74). The bill authorized \$3.3 billion for the program as compared to the President's request for a \$3.86 billion appropriation, or a cut of \$497 million. The conference bill was a compromise between the \$3.6 billion the Senate approved by a 57-25 (D 26-17; R 31-8) vote, and the \$3.1 billion the House approved by a roll-call vote of 254-154 (D 135-78; R 119-76).

The final total of appropriations approved was \$2.8 billion or about \$618 million under the President's final appropriations request. Unobligated funds from previous fiscal years of \$667 million also were approved for the program.

Long-Term Commitments -- Congress authorized a Development Loan Fund for fiscal 1958 and 1959, but not for 1960 as requested. Funds for 1958 only were appropriated. The requests for long-term authorizations for military assistance, defense support and technical cooperation also failed to be approved.

Senate Study -- The Senate Special Committee to Study the Foreign Aid Program held hearings during 1957 and released more than 20 reports on U.S. programs abroad.

DISARMAMENT

Platforms

• 1956 DEMOCRATIC -- "To eliminate the danger of atomic war, a universal, effective and enforced disarmament system must be the goal of responsible men and women everywhere.... We pledge the Democratic party to pursue vigorously this great goal of enforced disarmament...."

• 1956 REPUBLICAN -- "President Eisenhower has given the world bold proposals for mutual arms reduction and protection against aggression through flying sentinels in an 'open sky.' We support this...."

Performance

ADMINISTRATION

Disarmament Policy -- Secretary of State John Foster Dulles May 25 announced the Administration had decided on a "flexible" disarmament policy that would permit negotiations with Russia, but within limits to "safeguard the vital interests of the United States."

London Disarmament Talks -- Harold E. Stassen represented the United States at the London meetings of the United Nations Disarmament Subcommittee. The talks ended after several months of discussions without any agreement.

IMMIGRATION, REFUGEES

Platforms

• 1956 DEMOCRATIC -- "The Democratic party favors prompt revision of the immigration and nationality laws to eliminate unfair provisions under which admissions to this country depend upon quotas based upon the accident of national origin...."

• 1956 REPUBLICAN -- "We support the President's program submitted to the 84th Congress to carry out needed modifications in existing law.... We believe also that the Congress should consider the extension of the Refugee Relief Act of 1953...."

Performance

ADMINISTRATION

Immigration -- The President again asked Congress, as in 1953, 1955 and 1956, to revise the Immigration and Nationality Act of 1952 to correct "serious and inequitable restrictions." The President made 20 requests to change immigration laws, including one to base the annual ceiling for immigrants on the U.S. population as shown in the 1950 census. Some of the requests had to do with "hardship" immigration cases.

CONGRESS

Immigration -- Congress Aug. 29 approved a bill (S 2792) to relieve certain "hardship" immigration cases. The bill included five of the President's 20 requests.

Hearings were held by the House and Senate on bills (S 343-46, 1006; HR 8123) to overhaul the McCarran-Walter Immigration Act as the President requested, but no sweeping reform was effected.

Platforms WORLD TRADE

● 1956 DEMOCRATIC -- "We shall continue to support vigorously the Hull reciprocal trade program...." Administration trade policies have resulted in "serious economic injury to hundreds of thousands of Americans.... We pledge correction of these conditions."

● 1956 REPUBLICAN -- "Barriers which impede international trade and the flow of capital should be reduced on a gradual, selective and reciprocal basis, with full recognition of the necessity to safeguard domestic enterprises, agriculture and labor against unfair import competition.... We pledge faithful and expeditious administration of...escape clause and peril point provisions...."

Performance

ADMINISTRATION

Tariffs -- President Eisenhower increased import duties on spring clothespins and safety pins, but rejected Tariff Commission recommendations that he increase duties on velveteen fabrics, straight pins, violins and violas. Domestic textile manufacturers and miners were in the forefront of those pressing for tariff increases on imports in 1957, but no action was taken.

Trade Cooperation -- The President requested Congress, as he did in 1955 and 1956, to approve U.S. membership in the Organization for Trade Cooperation, the administrative body for General Agreements on Tariffs and Trade. The President sent Congress a special message requesting action.

CONGRESS

Trade Cooperation -- Despite the President's repeated requests, Congress took no action on OTC membership.

Platforms ASIA

● 1956 DEMOCRATIC -- "We pledge determined opposition to the admission of the Communist Chinese into the United Nations.... We pledge continued support to Nationalist China...."

● 1956 REPUBLICAN -- "We continue to oppose the seating of Communist China in the United Nations.... It would betray our friend and ally, the Republic of China. We will continue our determined efforts to free the remaining Americans held prisoner by Communist China."

Performance

ADMINISTRATION

Communist China -- Secretary of State John Foster Dulles June 28 in San Francisco said the U.S. would not give diplomatic recognition to Red China.

Embargo -- The State Department April 20 notified 14 allied nations in the trade embargo against Communist China and the European Soviet bloc that it would consider "certain modifications" of the embargo but would "continue its unilateral embargo on all trade with Communist China."

Admission of Newsmen -- Secretary of State Dulles Aug. 23 relaxed a long-standing ban and gave permission to 24 news organizations to send one correspondent each to Communist China for a trial period of seven months. Dulles said: "It is to be understood that the United States will not accord reciprocal visas to Chinese bearing passports issued by the Chinese Communist regime." The Chinese Communist government subsequently announced that the U.S. newsmen would not be allowed to enter Communist China unless its reporters were allowed to come here. No further action was taken. Under Secretary of State Christian A. Herter Sept. 10 said progress in the matter "is now up to the Chinese government."

The State Department Dec. 6 authorized "immediate families" to visit American prisoners in China, said the general policy against travel to the Chinese mainland remained unchanged.

CONGRESS

Communist China -- Congress again went on record, as it had done annually since 1953, in opposition to the seating of Communist China in the United Nations.

Platforms EUROPE

● 1956 DEMOCRATIC -- "Through the Marshall Plan, the European economic organization and NATO, the Democratic party encouraged and supported efforts to achieve greater economic and political unity among the free nations of Europe.... We will continue those efforts.... We shall press...the principle that Soviet Russia withdraw its troops from the captive countries, so as to permit free, fair and unfettered elections...."

● 1956 REPUBLICAN -- "We shall continue to seek the reunification of Germany in freedom and the liberation of the satellite states...."

Performance

ADMINISTRATION

British Debt Payments -- Urged approval of an agreement to amend the Anglo-American Financial Agreement of Dec. 6, 1945, to permit postponement until Dec. 31, 2001, of any seven of the annual British payments of \$134.4 million toward principal and interest on loans from the United States.

Hungary -- President Eisenhower said he hoped Congress would pass legislation to regularize the status of Hungarian refugees brought to the U.S. on parole status.

International Atomic Energy Agency -- See Atomic Energy section.

NATO -- President Eisenhower Dec. 16 attended a meeting of heads of state of the North Atlantic Treaty nations in Paris to discuss greater scientific and military cooperation.

CONGRESS

British Debt Payments -- The Senate March 25 approved the payment postponement amendment by voice vote and the House April 10 by a roll-call vote of 218-167 (D 133-68; R 85-99).

Hungary -- The House and the Senate June 26 adopted a resolution (H Con Res 204) expressing the sense of Congress that the United Nations General Assembly should consider the special report on the situation in Hungary.

Platforms MIDDLE EAST

● 1956 DEMOCRATIC -- "We will urge Israel and the Arab states to settle their differences by peaceful means.... We will faithfully carry out our country's pledge under the tripartite declaration of 1950 to oppose the use or threat of force.... We support the principle of free access to the Suez Canal under suitable international auspices. The Democratic party will act to redress the dangerous imbalance of arms in the area created by the shipment of Communist arms to Egypt, by selling or supplying defensive weapons to Israel...."

● 1956 REPUBLICAN -- "We support a policy of impartial friendship for the peoples of the Arab states and Israel.... We are determined that the integrity of an independent Jewish state shall be maintained. We shall support the independence of Israel against armed aggression...."

Performance

ADMINISTRATION

Middle East Doctrine -- President Eisenhower Jan. 5 in a message to a joint session of Congress asked for authority to use U.S. troops to protect the Middle East from any "overt armed aggression" by "power-hungry Communists." He also requested authorization for participation, at the President's discretion, in military and economic aid programs in the Middle East.

CONGRESS

Middle East Doctrine -- The Senate amended version of the Middle East Doctrine (H J Res 117) was approved by the Senate March 5 and the House March 7. The Senate vote was 72-19 (D 30-16; R 42-3); the House vote was 350-60 (D 186-33; R 164-27).

SHOULD STATES RELIEVE U.S. OF SOME PROGRAMS?

The House Government Operations Intergovernmental Relations Subcommittee Dec. 1, completed hearings in nine cities around the country on Federal-state relations. The Subcommittee received more than 3,000 pages of testimony from public officials, much of it related to the question of the proper division of responsibility between state and local governments, on the one hand, and the Federal Government on the other. (For background of committee hearings, 1957 Weekly Report, p. 1155)

A key feature of this problem concerns Federal grants-in-aid to states for such programs as agricultural experiments, school lunches, conservation, airport and highway construction, vocational training, heart, cancer and polio control, old age and unemployment assistance, slum clearance and urban renewal. In fiscal 1956, these grants totaled \$5.2 billion. (For state breakdown, see p. 1156) By comparison, tax receipts that year were \$68.2 billion. Thus, the Federal Government returned to the states in these grants 7.6 percent of the money it collected from their citizens.

Current Proposals

Recently, attention has been focused on proposals to turn certain of these Federal-state programs over to the exclusive control of the states, along with sufficient revenue sources to finance them. Two reasons have been given for favoring this course of action:

- 1. The need to reverse the trend toward ever-stronger Federal Government.
- 2. The need to free the Federal Government, with its heavy obligations for defense, from "marginal" expenditures.

For these reasons, President Eisenhower June 24 urged the Nation's governors to join him in a study of programs and taxes that could be turned over by the Federal Government to the states. (1957 Weekly Report, p. 771)

As a result of that suggestion, a Joint Federal-State Action Committee, consisting of 10 governors appointed by the Governors' Conference and seven Administration officials named by the President, was formed, with New Hampshire Gov. Lane Dwinell (R) and Secretary of the Treasury Robert B. Anderson as co-chairmen.

This "task force" Dec. 6 recommended that the Federal Government end its financial support of programs for vocational education and sewage treatment. It recommended, also, that states take over from the Federal Government the financial responsibility for making planning advances to local governments for urban renewal. It urged that states be required to create funds for repair of public facilities damaged in natural disasters before they could apply for Federal aid.

The task force estimated that turning these programs over to the states would save the Federal Government about \$105 million a year. In return, the report asked that states be permitted to collect two-fifths of the 10 percent Federal tax on local telephone service. They suggested the states pass a 4 percent tax on the calls, which

could be credited by the phone users against their 10 percent Federal tax payment. At the end of five years, according to this proposal, the Federal tax would drop from 10 percent to 6 percent, no matter what the states had done in the interim. This measure would net the states about \$148 million a year, if all took advantage of it.

Congressional approval would be required for all phases of the program except the creation of state funds for disaster relief. (1957 Weekly Report, p. 1303)

Opposition to Plans

The House Subcommittee, headed by Rep. L.H. Fountain (D N.C.), asked public officials their reaction to proposals that certain Federal grant-in-aid programs be terminated and that the programs, with sufficient tax sources to finance them, be made the responsibility of the states. The question was general, and not directed specifically to the "task force" recommendations.

Most of the governors and mayors interviewed expressed skepticism or disapproval of the idea. However, they may not be typical in their views; of 48 governors invited, only 12 appeared in person or by proxy, and only one of the 12 -- Indiana's Harold W. Handley -- was a Republican. The mayors were a better cross section; those testifying included the mayors of Boston, New York City, Pittsburgh, Philadelphia, Chicago, St. Paul, Madison, Nashville, St. Louis, Cincinnati, Kansas City, Denver, Los Angeles and New Orleans.

The chief arguments cited by various opponents of the transfer of Federal grant-in-aid programs to the states were:

- These programs have strengthened local government by providing incentives for local programs that might not otherwise have been undertaken, by setting high standards for the execution of those programs and by equalizing to some extent, the resources available to various states and cities for these purposes.
- The needs these programs are designed to meet are essentially national, rather than state or local, in scope.
- By and large, the programs are working well.
- Many state legislatures are unenthusiastic about some of the existing programs, and might drop them.
- The tax sources mentioned for return to the state are largely of the "nuisance" variety, expensive to collect and uncertain sources of revenue; only a rebate on personal and corporate income taxes would offer sufficient new sources of state revenue.
- Even if some Federal tax sources are made available, states would be under heavy pressure not to use them; competition between states and between cities for industry would tend to block any compensating increase in state and local taxes.
- Even if the states imposed new taxes, they might not be used for the same purpose as the discontinued grants.
- Experience with rural-dominated legislatures indicates the cities would be short-changed if states took over management of the grant-in-aid programs.

Opponents' Statements

Following are excerpts from testimony of witnesses who questioned the wisdom of turning Federal grant-in-aid programs over to the states:

● Massachusetts Gov. Foster Furcolo (D), Sept. 30 -- "A sudden shift from Federal to state responsibility in certain programs of government could well result in great confusion and possibly great inequities."

● Rhode Island Gov. Dennis J. Roberts (D), Sept. 30 -- "If the Federal Government terminates its share in any substantial present grant-in-aid programs, neither the state nor the municipalities in Rhode Island will be able to finance these programs by themselves.... Turning over to the states taxes which the Federal Government is under pressure to abandon anyway only means that the pressure to abandon these areas of taxation will be transferred to the state." Roberts cited figures on the rise in state debt.... (1957 Weekly Report, p. 948), and concluded: "The position of the state and local governments has deteriorated much more seriously than the Federal Government."

● Boston Mayor John B. Hynes (D), Oct. 1 -- "When any suggestion is made which may take away from local government any part of its present income from whatever source it comes, local government is ready to throw up its hands and say, 'You are taking our life blood; why not take the carcass, too?' More grant-in-aid programs for the direct benefit of the cities...is my recommendation."

● Pittsburgh Mayor David L. Lawrence (D), Oct. 2 -- Cited future needs for "adequate schools, bigger hospital facilities, greatly expanded highways, improved and enlarged housing, water supply and sewage systems, parks and recreation centers, protection against air pollution and epidemics.... No city and no state, in my opinion, will have the resources to cope with these needs by themselves. There can be no doubt, in my mind, that the Federal Government must continue to provide economic assistance to urban areas and must look forward to increasing that aid, many times over, if our cities are to remain strong and healthy."

● New York Gov. Averell Harriman (D), Oct. 3 -- "The grants-in-aid have stimulated new and desirable programs, encouraged states with limited resources, liberated rather than undermined state and local responsibility, achieved programs national in scope without losing the indispensable partnership of the state, produced higher standards of public service. In considering proposals to turn over programs to the states, it is essential to focus attention on the fact that legislatures are working under severe fiscal and political pressures, and may be unable or unwilling to enact the necessary legislation to put the programs into effect at the state level or to raise the revenue necessary to operate them even if the Congress repealed certain taxes. One cannot help wondering whether some of those who urge such transfers are not in reality anxious to see the programs terminated."

● New Jersey Gov. Robert B. Meyner (D), Oct. 7 -- Cited possibility of "a very small minority" preventing New Jersey from continuing a grant-in-aid program through its influence in the rural-dominated legislature.

● Pennsylvania Gov. George M. Leader (D), Oct. 7 -- "It looks to me as if most of the pressure for return of Federal programs to the states comes from those who would like to see these programs abandoned altogether. Opponents of these social and economic programs have successfully sold the idea that Federal grants-in-aid have grown monstrously. This is a great hoax. Most gov-

ernors favor, as I do, leaving the Federal grants-in-aid where they are, and expanding them where necessary."

● Philadelphia Mayor Richardson Dilworth (D), Oct. 7 -- "We are constantly told that the states should take care of the cities. But I think that is a completely unrealistic point of view. In the first place the state does not have anything like the tax resources that it used to have. In addition to that, the states are much less interested in the cities than the Congress is. If the Federal Government ever moves out of the field without making it possible for the states and the cities to get some part of the over-all income tax, I think it will be quite disastrous."

● St. Paul, Minn., Mayor Joseph E. Dillon (D), Oct. 16 -- "We are satisfied with the Federal role in existing grants.... I honestly believe the only place where the cities get their fair share of the revenue which they contribute...is out of the Congress."

● Michigan Gov. G. Mennen Williams (D), Oct. 18 -- If some Federal grant-in-aid programs were turned over to Michigan, the "current state legislature could be expected to terminate or substantially reduce existing programs in many areas."

● Madison, Wis., Mayor Ivan A. Nestingen (D), Oct. 18 -- If some Federal grant-in-aid programs were turned over to Wisconsin, "I feel there is no question that the state government would not be able nor would it be willing to raise sufficient revenues to continue programs at their present level."

● Nashville Mayor Ben West (D), Oct. 18 -- "The cities of this country get more consideration from the Congress...than we do from our state legislatures."

● Cincinnati Mayor Charles P. Taft (R), Oct. 18 -- Grant-in-aid programs "would disappear" if turned over to the states.

● Ex-President Harry S. Truman (D), Oct. 21 -- Asked if he thought states would continue grant-in-aid programs turned over to them, said, "Well, I hope they would act on them, but the chances are that they would reduce the taxes and not use them at all."

● Iowa Gov. Herschel C. Loveless (D), Oct. 21 -- "It is archaic thinking to consider eliminating or even drastically cutting the major grants-in-aid. I don't believe anyone in our state who looks at the problem realistically can doubt that certain of the existing programs would be eliminated entirely or drastically cut if left entirely to the state."

● Kansas Gov. George Docking (D), Oct. 22 -- "We will have to continue grant-in-aid programs, but we should be extremely critical of starting additional ones."

● Denver Mayor Will F. Nicholson (R), Oct. 25 -- Asked if he thought his state legislature is unsympathetic to Denver's problems, he said: "I know it; I don't think."

● Salt Lake City Mayor Adiel F. Stewart (R), Oct. 25 -- "Developments in recent years make it difficult for a Nation which is becoming increasingly urbanized to request state authorities to solve problems which are common to the entire country. Local administrators and citizens alike have reason to fear that a program abandoned by the Federal Government will not be furthered by the individual states. Federal grants for existing programs should in no way be decreased. If possible, additional funds should be made available."

● Georgia Gov. Marvin Griffin (D), Dec. 10 -- Opposed return of the vocational education grant-in-aid program to the states because "the poorer states would suffer. The reduction in Federal funds would greatly exceed the proposed resultant tax relief."

New Programs Urged

Not only did most of the governors and mayors oppose suggestions to turn grant-in-aid programs over to the states, they suggested expansion of such programs into new fields. Among the areas mentioned by one or more witnesses as fruitful places for expanded Federal investment: municipal waterworks; sewage lines, as well as disposal stations; school construction; commercial use of atomic energy; flood insurance; hurricane protection; mental health; problems of the aging; hospital construction; public transportation; civil defense; parks and recreation facilities; public housing; air pollution; urban libraries; and mental health clinics.

Proponents' Arguments

The minority of witnesses who favored turning over certain grant-in-aid programs to the states used these arguments:

- Indiana Gov. Harold W. Handley (R), Oct. 16 -- Advocated lower Federal taxes and increased local responsibility. If Federal grants-in-aid are reduced or ended, "there are certain fields of activity that are important to our people and in those spheres of activity, the state would accept the responsibility. Every dollar of Federal aid reaching Indiana costs the state's taxpayers \$1.46. We feel we could do the same job for less than a dollar. We could keep it right on the local level and watch it and administer it far more effectively. Federal paternalism eventually leads to a socialistic state. It can't help but do so, because you have too many controls and restrictions attached to it."

- Missouri Gov. James T. Blair Jr. (D), Oct. 22 -- "Most individual Federal aid programs are eminently worth-while. But when we take all Federal aid programs in the aggregate, we gain a picture of a trend which, if continued, will leave the states as mere vassals of the Federal Government." Asked if he believed states would take over programs dropped by the Federal Government, Blair said, "I think so. At least it is worth a try."

- Kansas City, Mo., Mayor H. Roe Bartle (D), Oct. 22 -- "There is a tendency today to let the Federal Government do everything. I think we are perfectly capable of coping with every problem that is ours, providing we are not hamstrung nationally or at the state level. Our legislature, which is primarily rural, has never turned a deaf ear upon Kansas City when revenue measures were involved. They have always been kindly and sympathetic."

Summary of Views

Subcommittee Chairman Fountain Dec. 13 gave CQ this summary of his views on the hearings:

"We had two basic points-of-view presented to us. The first held that the Federal grants-in-aid, generally, are working satisfactorily and are appropriate and necessary activities of the Federal Government. The second held that the Federal Government is involved in entirely too many programs which could be better and more appropriately handled by local and state governments if they had the necessary financial resources.

"Offhand, I would say that the first point-of-view predominated among the witnesses we heard. That did not surprise me. There is an understandable reluctance on the part of local officials to take on programs that would require them to increase local taxes. They feel it is

easier for the Federal Government to get the money, and some of them favor taking the money wherever it is easiest to get. There was general agreement that under no circumstances can state and local governments take these programs over unless adequate tax sources are relinquished to them at the same time. It was unfortunate that only one Republican governor accepted our invitation to testify, but certainly the testimony of the mayors will have to be carefully considered. Sixty percent of our population is urban and we cannot ignore the interests of that many people."

Rep. Florence P. Dwyer (R N.J.), ranking Republican on the Subcommittee, Dec. 13 summarized her impression of the testimony this way:

"I think we can expect strong resistance to a discontinuance of Federal grants-in-aid from elected public officials at the state and local level; they simply do not want to take the administrative and financial responsibility on themselves. I got a strong sense of buck-passing up to the Federal level and some carryover of that old Democratic slogan, 'Don't let them take it away.' Once you've given the responsibility to the Federal Government, it's pretty hard to give it back to anyone else, particularly when the Federal administration of these programs does not draw many complaints. I think, however, that our study of these programs may arrest the expansion of the Federal grant-in-aid principle."

Outlook for Action

The outlook for any Congressional action on the Federal grant-in-aid programs in 1958 is almost nil. The specific recommendations of the Federal-State Action Committee will be presented the Governors' Conference meeting in Miami Beach next May 18-21. What action the governors will take on the proposals cannot be predicted. Some observers think the views of the 10 governors on the "task force" were not representative of the whole Governors' Conference; the Nation has 29 Democratic and 19 Republican governors; there were five of each on the "task force." Even if the suggestions are endorsed by the Governors' Conference, May is late in the year to begin pushing a program through Congress.

Still to be heard from are the Nation's mayors, whose offer to participate in the Federal-State Action Committee's deliberations was rejected. The testimony of the mayors before the Fountain Subcommittee indicates they will oppose the "task force" recommendations.

In Congress, there is little inclination to deal with the problem in the 1958 election year. Many of the grant-in-aid programs are highly popular with the Members whose states or districts directly benefit from them.

The House Ways and Means Committee, which would have to initiate any action on turning over fields of taxation to the states, has conducted no hearings on the subject and has none scheduled for 1958.

The Fountain Subcommittee has a variety of hearings scheduled that will keep it busy through much of the 1958 session.

Chairman Fountain told CQ he does not "want to predict" when his group will have legislative recommendations to make, but he indicated it would be late in the 1958 session, or even after adjournment, before the recommendations are made. "This is a vast field," Fountain said. "Some people have been too hasty in making suggestions. We don't want to make the same mistake."

LIBONATI ELECTED TO HOUSE

State Sen. Roland V. Libonati (D) Dec. 31 was elected to Congress from the Illinois 7th District in a special election. Libonati, 57, defeated Anthony C. Catena (R), 32,105 to 4,341, in the strongly Democratic district on Chicago's west side. He will complete the unexpired term of Rep. James B. Bowler (D), who died July 18.

1958 HOUSE, SENATE LINEUP

The lineup of membership in the Senate and House at the beginning of the 1958 session of the 85th Congress:

SENATE		
Democrats	Republicans	Vacancies
50	46	0
HOUSE*		
Democrats	Republicans	Vacancies
231	200	4

*House figures include Rep. Vincent J. Dellay (N.J.) as a Republican. Dellay, elected as a Republican in 1956, Oct. 24, 1957, said he would switch to the Democratic side of the aisle in 1958, but the transfer has not yet taken place. Three of the four vacancies -- Georgia's 7th District, Pennsylvania's 21st District and Tennessee's 8th District -- were held by Democrats, and the fourth -- New York's 37th District -- was held by a Republican (see below). None of the four vacancies is expected to change parties when filled.

KEFAUVER, KNOWLAND PLANS

Sen. Estes Kefauver (D Tenn.), candidate for the Democratic Presidential nomination in 1952 and 1956, Dec. 27 said he had "no plans for a national campaign in 1960." Kefauver's Senate term expires in 1960.

Sen. William F. Knowland (R Calif.) Dec. 30 said he had made no commitments to anyone either to run or not to run for the Republican Presidential nomination in 1960. Knowland made the statement in denying reports he had promised Vice President Richard M. Nixon not to enter any Presidential primaries outside California in 1960.

State Roundup

LOUISIANA -- Rep. Otto E. Passman (D La.) had a heart attack Dec. 30. Attending physicians described it as minor.

MISSOURI -- Sen. Stuart Symington (D Mo.) Dec. 28 announced he would be a candidate for reelection in 1958. Symington is completing his first full term in the Senate.

NEW MEXICO -- Former Land Commissioner E. S. (Johnny) Walker (D) Dec. 6 announced he would seek the Democratic nomination for the Senate seat held by Sen. Dennis Chavez (D). Chavez has indicated he would seek reelection but has not made any formal announcement.

Membership Changes, 85th Congress, First Session

Senate

PARTY	SENATOR	DIED	RESIGNED	SUCCESSOR	PARTY	ELECTED	SWORN IN
D	Price Daniel (Texas)	----	1/5/57	William A. Blakley	D	1/15/57*	1/17/57
R	Joseph R. McCarthy (Wis.)	5/2/57	----	Ralph Yarborough	D	4/2/57	4/29/57
				William Proxmire	D	8/27/57	8/29/57

House

PARTY	REPRESENTATIVE	DIED	RESIGNED	SUCCESSOR	PARTY	ELECTED	SWORN IN
D	Antonio M. Fernandez (N.M.)	11/7/56	----	Joseph M. Montoya	D	4/9/57	4/29/57
R	T. Millet Hand (N.J.)	12/26/56	----	Milton W. Glenn	R	11/5/57	---
D	James B. Bowler (Ill.)	7/18/57	----	Roland V. Libonati	D	Set for 1/21/58	---
R	Samuel K. McConnell Jr. (Pa.)	---	9/1/57	John A. LaFore Jr.	R	11/5/57	---
D	Henderson L. Lanham (Ga.)	11/10/57	----	-----	---	Set for 1/8/58	---
D	Augustine B. Kelley (Pa.)	11/20/57	----	-----	---	Set for 1/21/58	---
R	Sterling Cole (N.Y.)	---	12/1/57	-----	---	Set for 1/14/58	---
D	Jere Cooper (Tenn.)	12/18/57	----	-----	---	-----	---

*Appointed interim Senator to serve until a successor was chosen in a special election and sworn in.

NPA ON DEFENSE SPENDING

The National Planning Assn. Dec. 28 said the United States could increase its defense spending \$10 billion, or 25 percent, in the next two years without raising taxes. NPA said it was not advocating an increase or decrease in defense spending. Its aim, it said, was to determine the impact of increased spending on the Nation's economy.

The Association said a \$20 billion increase over the same period would add to the missile air power expansion program a build-up of "all the other national defense forces and possibly...a comprehensive civil defense program." The \$20 billion increase would mean higher taxes, possibly to the 1953 or World War II level, the NPA report said. It said the program would delay non-defense Federal programs.

The group said a \$31 billion increase in defense spending by 1960 would put the national economy near a "full mobilization footing" and would require taxes "considerably above those of the Korean war and the World War II period."

CED POLL ON ECONOMIC PROBLEMS

The Committee for Economic Development Dec. 28 released results of its poll of 48 scholars and statesmen on the most important economic problem facing the United States in the next 20 years. The CED last August received a \$70,000 grant from the Ford Foundation to conduct the poll. More than one-third of those polled gave primary importance to U.S. assistance to underdeveloped countries in order to achieve a better balance of world wealth. Others cited inflation, maintenance of free institutions and congestion of urban areas as paramount problems that would face the U.S. by 1977. Only two of the 48 said the most important economic difficulty would arise from national security problems.

RECIPROCAL TRADE

Chairman O.R. Strackbein of the Nation-Wide Committee of Industry, Agriculture and Labor on Import-Export Policy Dec. 26 said the Administration's proposal for a five-year extension of the Reciprocal Trade Agreements Act was an attempt to "sideline" Congress and "enthroned the State Department as overlord of foreign trade." He said the State Department's "concessions to foreign countries in the form of tariff reductions have been so anxiously and cheerfully granted that nothing substantive was gained in return." (Weekly Report, p. 4)

ADA HITS CARLTON APPOINTMENT

Edward D. Hollander, national director of Americans for Democratic Action, Dec. 24 said the appointment of Doyle E. Carlton (D) to the Civil Rights Commission was "an evidence either of incredible political timidity or of equally incredible political chicanery on the part of the Eisenhower Administration." Hollander said "as now constituted (the Commission) is tailor-made for confirmation by Sen. James O. Eastland (D Miss.), (Chairman of the Senate Judiciary Committee), but it is incapable of performing the function for which it was created."

SMALL BUSINESS

COMMITTEE -- Senate Select Small Business.

ACTION -- Dec. 30, in its seventh annual report on participation of small business in military buying, said the Defense Department showed "lethargy, inaction and procrastination" during fiscal 1957 in programs designed to aid small business. The report said the share of defense contracts going to small firms had remained at 19.6 percent, the same as in fiscal 1956; army contracts dropped from 43.7 percent in fiscal 1956 to 40.6 percent in fiscal 1957, and only 8.2 percent of Air Force awards went to small firms, the same as 1956.

FOREIGN POLICY

COMMITTEE -- Senate Foreign Relations.

ACTION -- Dec. 30 received a report from Sen. John J. Sparkman (D Ala.) proposing a four-point program to counter the impact of Russian advances on neutral Asian nations. Sparkman, reporting on a recent Asian tour, suggested: encouragement of economic and defense pacts among independent nations; recognition of the right of an independent to follow a policy of non-alignment with the United States; acceptance of the view that non-alignment does not necessarily mean unfriendliness, and basing of economic assistance on a decision that it "will promote and expand the area of man's individual liberty." Sparkman said there had been too much emphasis on military aid and too little on economic help.

LABOR PRACTICES

Sen. Pat McNamara (D Mich.), a member of the Senate Select Committee on Improper Activities in the Labor and Management Fields, Dec. 28 released a letter to President Walter P. Reuther of the United Auto Workers (AFL-CIO) in which he said "certain" Committee members were out to "get" both Reuther and the UAW.

Reuther Dec. 18 wrote Committee Chairman John L. McClellan (D Ark.) protesting what he called the anti-labor bias of Committee Counsel John McGovern. McGovern directed the Committee's Detroit investigation of the UAW and its role in a four-year strike at the Kohler plumbing fixtures factory in Wisconsin.

McNamara wrote Reuther that it was his understanding "that several Republican members of the Committee were instrumental in having McGovern placed on the staff...to further their interests, not the least of which appears to be to prepare material for an attack on the UAW." "It has been obvious for some time," McNamara said, "that certain members of this Committee will not consider the Committee a success unless it is able to 'get' the UAW and you personally. This goal is almost an obsession with them."

McClellan Dec. 28 said that on the Committee's 1958 agenda, "secondary boycotting has to be gone into, primarily in the Kohler plant and all over the country."

Sen. Karl E. Mundt (R S.D.), a Committee member, Dec. 29 said any charges that the group was "concentrating on unions led by Democrats is as phony as a \$3 bill." (1957 Weekly Report, p. 1313)

ADMINISTRATION EDUCATION PLAN

The Eisenhower Administration Dec. 30 outlined its four-year program to bolster the Nation's educational system. It calls for \$1.6 billion in Federal and state funds.

Marion B. Folsom, Secretary of Health, Education and Welfare, presented the Department's program Dec. 30, 1957, at President Eisenhower's farm in Gettysburg. After a one-hour conference with Folsom, Mr. Eisenhower approved this seven-point plan:

- **SCHOLARSHIPS** -- The Federal Government would grant 10,000 scholarships annually for the next four years. The scholarships would be awarded by state boards to outstanding needy students, especially those with exceptional records in science and mathematics.

- **APTITUDE TESTING** -- Aptitude testing, similar to that offered by the Labor Department to high school students going directly into the business world, would be expanded. The Federal Government would split the cost of the testing with the states.

- **GUIDANCE** -- In an effort to make better use of student abilities, the Federal Government would give money to states on a matching basis to expand the vocational guidance program in high schools.

- **FELLOWSHIPS** -- The Federal Government would award 1,000 Federal graduate fellowships in the first year of a four-year program, and 1,500 in each of the remaining three years, in order to encourage "more able" college students to go into college teaching. Also, graduate schools could get up to \$125,000 in Federal money a year on a 50-50 matching basis to expand their facilities.

- **SCIENCE TEACHING** -- The Federal Government would give money on a 50-50 matching basis to state departments of education so they could strengthen science and mathematics teaching in public schools through such measures as increased pay for qualified teachers and additional laboratory equipment.

- **LANGUAGE TEACHING** -- Federal money would be given to training centers in those languages, which, according to Folsom, "are critically important today, but which have traditionally received little or no attention in this country." The training centers, managed by educational institutions, would concentrate on teaching languages of Asia, Africa and the Near East.

- **NATIONAL SCIENCE FOUNDATION** -- The NSA would get additional Federal money for its programs designed to improve science teaching and interest students in science careers.

Folsom said that the scholarship, aptitude testing and guidance programs would be available to both public and parochial schools, but grants for improving science teaching would go only to public schools. He estimated that the seven-point program would cost the Government about \$1 billion and the states "between \$550,000 and \$600,000" over the four-year period. Folsom disagreed that the Administration's school construction program had "gone down the drain," but declined to elaborate. (For rundown on 1957 school construction bill, 1957 Weekly Report, p. 906)

FISCAL 1959 DEFENSE SPENDING

Chairman Carl Hayden (D Ariz.) of the Senate Appropriations Committee Dec. 28 said any proposal by President Eisenhower to increase defense spending to \$40 billion a year "would be a modest amount." Hayden added: "We have spent \$244 billion on our armed services in the last seven and one-half years since the Korean war. Forty billions is a little above the average, but our economy can stand it." (See National Planning Assn. views on defense spending, p. 25)

Current defense spending is about \$38.5 billion; Congress in 1957 appropriated about \$36 billion. Hayden said there had been "a lot of loose talk" about cuts in reclamation and flood control funds to pay for more defense spending. Hayden also said the United States has received "a pretty good return on our investment" in NATO military aid. "We have given the North Atlantic Treaty Organization countries \$16 billion in military aid; in return they have spent \$80 billion," he said.

Meanwhile, Sen. Dennis Chavez (D N.M.), Chairman of the Appropriations Defense Department Subcommittee, Dec. 28 said that instead of asking for new defense funds, the Administration should redistribute its unspent money. Chavez added: "New funds alone is not the answer to today's (defense) needs, and no budget such as suggested... (\$40 billion) will get an OK."

Hagerty on Gaither Report

White House Press Secretary James C. Hagerty Dec. 28 disputed published versions of the still secret Gaither report. (1957 Weekly Report, p. 1328) In a statement to reporters at Gettysburg, Pa., Hagerty said:

"I said the (Gaither) document was still a classified document and that still holds. But I think I can say this now, and I have been anticipating a question on this sooner or later so I have not -- this answer is not exactly an off-the-cuff answer.

"I can say this: One, that as far as I know, there is no factual information in the report that has not been made available to the committees of Congress, and particularly the Senate Johnson Committee.

"Second, that stories that have been printed which indicate that the United States is in a position of weakness at this time are not true. It is not in the report and as a matter of fact is completely contrary to the report. The report says just the opposite.

"Third, you can say if you want, that the President in the State of the Union message will give his estimate of the military strength of our country as it is now and what has to be done in the future to continue that strength.

"Now that will be based on recommendations that he has received not only from the Gaither committee, but many other committees, the Killian committee and many others, as well as his own personal information on the subject."

Capitol Briefs

MISSILE COSTS

The Defense Department Dec. 27 released a summary of missile program expenditures showing that \$17,178,000,000 has gone into research, development and production since "fiscal year 1946 and prior." All but about a half billion dollars of the total has been programmed since the beginning of the Korean war in 1950, the summary showed. The figure included an estimated \$4.6 billion for fiscal 1958, but did not include the extra \$1 billion Defense Secretary Neil H. McElroy Dec. 20 said he would request.

CIVIL RIGHTS

Sen. Jacob K. Javits (R N.Y.) Dec. 29 said he considered it "supremely important" to "fill in the gaps" in civil rights legislation, and would introduce a bill early in 1958 to restore the controversial Part III of the civil rights bill, providing for civil injunctive proceedings by the Attorney General. Javits said a tighter measure was needed both because of the Little Rock, Ark., integration impasse, and the importance of showing the free world how the United States resolved the problem. Attorney General William P. Rogers Dec. 9 said he did not plan to recommend any additional civil rights legislation.

PRESIDENTIAL DISABILITY

Chairman Emanuel Celler (D N.Y.) of the House Judiciary Committee Dec. 29 said President Eisenhower should "resign temporarily" and permit Vice President Richard M. Nixon to take over as "Acting President." Celler, in a prepared statement, said a "palace guard" was running the Government, and that the resignation was the President's "highest duty to his country."

PERSONNEL CUT

Rep. Ben F. Jensen (R Iowa) Dec. 28 said he would ask Congress in 1958 to impose the "Jensen rider" on every appropriation bill, limiting the power of any Government agency to fill vacancies until personnel fell below 90 percent of normal. Jensen said his proposal would allow one out of every three vacancies to be filled, cutting personnel by 10 percent. The rider was passed by Congress in 1951 and 1952, allowing agencies to fill one out of every four vacancies. (1952 Almanac, p. 92)

NIXON ON DULLES

Vice President Richard M. Nixon told a Dec. 28 Miami news conference that Secretary of State John Foster Dulles was the "most astute diplomat" in recent American history, and that he knew of no one to match his skill "in the field of negotiations at the international conference table." Nixon, interviewed while vacationing in Florida, also said: a tax cut was unlikely and would be unwise at present; no new civil rights legislation was planned, and he had assumed no additional duties since the President's recent illness.

SOIL BANK

The Department of Agriculture Dec. 26 reported that the Federal soil bank averted \$1 billion in surplus crops in 1957. Producers were paid \$614 million to retire 21,300,000 acres, the Department said. In addition, farmers held 6,500,000 acres free of general crop production under the soil bank's conservation reserve. A total of 914,819 agreements were signed by farmers, the Department said.

RICHARDS RESIGNS

The White House Dec. 24 disclosed the Dec. 9 resignation of ex-Rep. James P. Richards (D S.C., 1933-57) as President Eisenhower's special assistant for the Middle East. Richards was appointed by the President in January, 1957, for a six-month term which later was extended to one year. He had served as Chairman of the House Foreign Affairs Committee in the 82nd and 84th Congresses.

LABOR LEGISLATION

Rep. Wint Smith (R Kansas) Dec. 28 said he would renew demands in 1958 for passage of two bills making it unlawful to compel anyone to join a union to hold a job (HR 6331) and bringing international labor unions under monopoly provisions of the Sherman Antitrust Act (HR 6515).

SUPREME COURT POWERS

Rep. Walter Rogers (D Texas) Dec. 28 said he would introduce legislation to permit overriding of Supreme Court decisions in the same manner as Presidential vetoes are overridden. Rogers, in a newsletter, said the Court was "vested with powers, based upon precedent, that actually could constitute it a dictatorial tribunal from which there is no appeal."

SMALL BUSINESS

Chairman Wright Patman (D Texas) of the House Select Small Business Committee Dec. 30, at Dallas, Texas, said he would introduce legislation to abolish the Small Business Administration and replace it by "an agency that is interested in little business' problems."

Eisenhower Message to USSR

The text of President Eisenhower's Jan. 1 message to the Soviet Union replying to one sent him:

"On behalf of the American people, I reciprocate the greeting of yourself (Soviet President Voroshilov), Prime Minister Bulganin and Mr. Khrushchev. I hope that the peoples of the Soviet Union throughout the coming year may enjoy peace and those fundamentals of a more abundant life which are the aspirations of all mankind. I earnestly trust that the New Year will bring a firmer and better understanding between the citizens of the Soviet Union, the American people and those of other nations. You may be assured that the Government of the United States will extend every effort to that end."

Presidential Report

WHITE HOUSE ANNOUNCES END OF HUNGARIAN REFUGEE PROGRAM

Following is the text of a Dec. 28 White House announcement, issued at Gettysburg, Pa., on the ending of the emergency program for admitting Hungarian refugees to the United States:

The President announced today that effective Dec. 31, 1957, the emergency program for Hungarian refugees coming to the United States will be discontinued.

Termination of the emergency aspects of the United States program to assist Hungarian refugees who fled from Hungary is made possible as a direct result of the effective work performed by the international agencies directly concerned, the efforts of the other 35 countries which granted asylum to the refugees and the assistance provided by various religious, nationality and other private groups. Under this program a total of 38,000 refugees have come to this country.

The recently enacted immigration law, PL 85-316, will permit some additional Hungarian refugees to come to this country under normal immigration procedures. The services of the United States escapee program remain available to facilitate their resettlement to constructive life in the free world.

The emergency program of assistance to Hungarian escapees began a little over a year ago, on Nov. 15, 1956, following decisions of the President to render relief and peaceful assistance to the Hungarian people and to aid refugees fleeing from Hungary in the face of the Soviet military offensive aimed at crushing the Hungarians' struggle for freedom and national independence.

More than 200,000 Hungarians fled from their native land. The majority fled to Austria, and after the Austrian frontier became sealed, others fled to Yugoslavia. The first escapees reaching Austria were aided by the Austrian people and their government with some limited assistance from the United States escapee program. It soon became clear, however, that additional assistance would be needed. Free world response to this need was enthusiastic and immediate. The United States responded with a major emergency refugee assistance program employing U.S. Government, voluntary agency and private resources.

To date a total of \$71,075,000 has been made available by the United States to meet the immediate needs of the escapees, to provide food, clothing and shelter, to relieve suffering inside Hungary, to process for resettlement and to transport them to receiving countries. Of this sum almost \$20,000,000 in refugee assistance was furnished from American private sources, donated through 18 religious, nationality and other voluntary agencies.

The vessels of the United States Military Sea Transport Service and planes of the Military Air Transport Service were utilized to bring some of the refugees to this country. In other instances they came on planes chartered by the Inter-Governmental Committee for European Migration.

Of the approximately 38,000 Hungarian refugees coming to this country, 6,130 received immigration visas in the closing days of the Refugee Relief Act. The remainder were admitted into the United States under the parole provisions of the Immigration and Nationality Act.

Over 32,000 of the Hungarian refugees were processed through the reception center at Camp Kilmer, New Jersey, speedily reactivated for this purpose by the Army. The President's Committee for Hungarian Refugee Relief, under the

direction of Mr. Tracy Voorhees, coordinated the activities of the numerous Government and private agencies which assisted in the placement of the Hungarians in hundreds of communities throughout the Nation where they have the advantages offered to free men in a free society.

With the close of Camp Kilmer and the dissolution of the committee, the reception center was transferred to the St. George Hotel in Brooklyn, New York, operated by the Immigration and Naturalization Service.

The President pointed out that during the period when these Hungarian escapees were being received in this country under the emergency program the United States admitted over 300,000 other immigrants, a substantial number of whom were escapees from Soviet-dominated Eastern Europe.

The success of the United States emergency program of assistance to Hungarian refugees stems basically from three factors: America's traditional humanitarian spirit, the dedicated work of the religious and other agencies which transformed that spirit into action and, finally, the quality of the refugees themselves.

EISENHOWER EDUCATION LETTER

Following is the text of a letter from President Eisenhower to Kevin McCann, president of Defiance (Ohio) College and a former speech writer for the President. The letter was released Dec. 29 by the White House at Gettysburg, Pa. In it, President Eisenhower replies to a memorandum from McCann on a conference of western Ohio civic and educational leaders to be held at Defiance to examine science and mathematics shortages in the high schools in the area:

Dear Kevin:

I was greatly heartened by the news about your area conference on the teaching of science and mathematics.

In the circumstances of this time we naturally tend to emphasize the need for expansion and improvement in our science and mathematics programs. But in no way do we ignore the constant need and the permanent values of general education that enriches our working lives and that enables us to be better citizens of the Republic and the world. The dynamic drive for better schools and better education will come from men and women -- representing all the aspects of American life -- sitting down together, studying the problems that confront them, working out practical solutions, turning to Government only for that which they themselves cannot accomplish at all or so well.

In that spirit, I am sure, you meet on the Defiance College campus to examine the problems of science and mathematics teaching in your own area. Close to the realities of the situation there, representing a cross-section of all its interests and activities, listening to able professional counsel, you will make judgments that are practical and sound. Out of your meeting will come, I am confident, advantage and profit and improvement to all American schools.

My congratulations to you for your initiative in organizing this conference and my best wishes to you for great success.

Sincerely,

DWIGHT D. EISENHOWER

Congressional Quiz

SECOND SESSION OF THE 85TH

Many issues expected to raise controversy in the second session of the 85th Congress received some Congressional action in 1957. How high can you score on this quiz on the 1958 legislative program? Try for 6 points.

1. Q--During 1957, the House, by a 208-203 vote, struck the enacting clause from the Administration's school construction bill. This move: (a) postponed House action on the bill until 1958; (b) returned the bill to committee; (c) killed the bill. (1 point)

A -- (c). President Eisenhower said July 31: "I will have another (school aid) bill ready for the next session of Congress."

2. Q--True or false: The Senate passed statehood bills for Hawaii and Alaska during the first session. (1 point)

A--False. Both bills were reported in the Senate on the last day of the session and some action is likely to be taken on them during 1958. In the House, the Alaska bill was reported and hearings were completed on the Hawaii bill.

3. Q--President Eisenhower sent the first session of the 85th Congress requests for 20 changes in U.S. immigration law. Were any of these acted upon? (1 point)

A--Yes, a bill to revise the immigration and nationality laws to relieve certain "hardship"

cases was approved. It contained five of the 20 requests. Legislation covering the other requests, including one to base the immigration quota system on the 1950 rather than the 1920 census, stayed alive for action during the second session.

4. Q--True or false: All Congressional legislation is dead at the end of each two-year Congress but stays alive between sessions. (1 point)

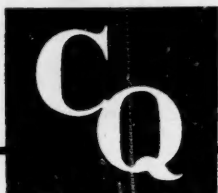
A--True. Treaties with foreign nations, which require Senate approval, stay alive from Congress to Congress, but ordinary legislation must be reintroduced.

5. Q--Congressional leaders bear much of the responsibility for legislative action. Can you match these men with their posts? (6 points)

Sam Rayburn	(a) President of the Senate
Richard M. Nixon	(b) Senate Minority Leader
Carl Hayden	(c) House Speaker
Joseph W. Martin Jr.	(d) House Majority Leader
John W. McCormack	(e) House Minority Leader
William F. Knowland	(f) President Pro Tempore of the Senate

A--Rayburn, c; Nixon, a; Hayden, f; Martin, e; McCormack, d; Knowland, b.

Check your Congressional Quarterly Almanacs for additional details and background information on the news of Congress appearing in the Weekly Reports. Published since 1944, the CQ Almanac is fully indexed and cross referenced.



Bywords for '58 Three words will dominate the second session of the 85th Congress which gets underway Tuesday. They are sputnik, recession and election, and they all add up to big spending. The watchword for 1957 -- economy -- went out the window Oct. 4 when the Soviets lobbed an artificial satellite into orbit and the United States launched an agonizing reappraisal of national security. The big spending decisions won't come easily. Budget-balancers will fight to offset increased spending for missiles by cutbacks in other areas, but the odds are against them. (Page 1)

Trade Battle

The 25-member House Ways and Means Committee will be the arena for the forthcoming battle-royal between protectionists and free traders. At stake is the Administration's request for a five-year extension and liberalization of the President's authority to cut tariffs under the Reciprocal Trade Agreements Act. Formal hearings will begin in February, but well before that pressure groups representing diametrically opposing points of view will be attempting to line up support in the powerful Committee. (Page 4)

Education Step-Up

A four-year, \$1.6 billion Federal-state school aid program was approved by President Eisenhower for presentation to Congress when it reconvenes Jan. 7. HEW Secretary Marion B. Folsom, who presented the proposals to the President, said the program would cost the Government roughly \$146 million in its first year. It includes Government-financed college scholarships for 40,000 high school students with an aptitude for science and mathematics, grants to expand student testing and counseling and more intensive instruction in the sciences. National Science Foundation programs also would be augmented. (Page 26)

Farm Policy

The real farm surplus is farmers. That is the simple, cautionary message professional economists have given Congress on the eve of its latest annual search for a Government program for agriculture. Summoned from all sections of the country by a Joint Economic Subcommittee to discuss proposals to aid the growth and stability of commercial farming, the economists urged priority for programs to move people off the farms. Their testimony surprised -- and in some cases, aggravated -- those Subcommittee members who customarily talk only of programs to help people hold on to their farms. (Page 8)

Starting Lineup

At the kickoff of the 85th Congress' 2nd session Senate Democrats will outnumber Senate Republicans 50-46. In the House the Democrats will have a 231-200 edge over the GOP, with four seats vacant. A fifth vacancy was filled by the Dec. 31 election of Roland V. Libonati (D) in Illinois' 7th District. (Page 24)

Promises Unlimited

Politicians, like almost everyone else, apparently believe resolutions are made to be broken. A CQ look at the political resolutions -- the party platforms -- of the Democrats and Republicans made at the Presidential nominating conventions, shows that this New Year's Day witnessed its share of promises either broken or not yet carried out. There was a balanced budget again -- a promise of both parties -- but CQ's analysis of the "economy" roll calls in 1957 that really counted showed Congressmen as a whole approved only one-third of the chances to cut actual spending. (Page 11)

Aid to States

A touring House subcommittee returned to Washington with bad news for those who want to chop the size of the Federal Government and its budget by shifting whole programs over to the states. The chief conclusion from a cross-country survey: Few governors or mayors want the Federal programs dumped in their laps, even if new tax revenues for them come along. Only two of 12 governors who testified gave the President's grants-in-aid program their blessing. With mayors of big and little cities, the response was even more overwhelmingly against the plan. Despite this reaction, the Administration plans to ask Congress to turn over to the states vocational education and sewage treatment programs, and 40 percent of the tax on local phone calls. (Page 21)